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August 21, 1997

FREIGHT AND ECONOMIC DEVELOPMENT DIVISION
ALL ACTIVE AND CLOSED PROJECTS
IN 2ND PARTY ORDER

AGREE. WITH	PIN	PROJECT DESCRIPTION	PRIM FUND	DOT LET CONTRACT NUMBER	DOT LET BID PRICE	DOT LET COMP. ACTUAL	AGREE. NUMBER	NUM.	COMP. SCHED.	COMP. ACTUAL	ACCOUNT CLOSED	AGREE. AMOUNT
ONCT Ontario Central Railroad	493801301	ONCT RR SHORTSVILLE PASSING TRACK	B		0	D140315	001			070181	091581	105000 105,000
PDC New York City Public Development Corporation	X93553301	TULNOY/ELMAX I MBR COS RAIL SIDING CONSTR	B		0	D002257	001					100000
PIDA City of Pittsburgh Industrial Development Agency	793509301	BOMBARDIER INDUSTRIAL RAIL ACCESS	U		0							700000 700,000
POSW Port of Oswego	395017301	BULK MATERIAL HANDLING EQUIP. PORT OF OSWEGO	B		0	D011032	001		123198			95000 95,000
REP Republic Group, Inc.	593702371	DEV. H.S. LIGHT WT. DIESEL LOC	O		0	D009637	001		063097			2000000 2,000,000
ROME City of Rome	293511301	ROME INDUSTRIAL SPUR REHAB	B		0	D140382	001			100180	061882	79530 79,530
RRTC Road-Rail Transport Co.	593553305 593553305	HIGHBRIDGE TERMINAL PHASE I IMPROVEMENT HIGHBRIDGE TERMINAL PHASE I IMPROVEMENT	B B		0 0	D000109 D000109	001 002		123182 123182		082889 082889	330000 146226.77 476,227
RS Rochester & Southern Railroad	493525301 493525371 493525371 493525371 493525371	RAIL REHAB - ROCHESTER TO SILVER LAKE JCT. RAIL REHAB - ASHFORD JCT. TO MACHIAS RAIL REHAB - ROCHESTER TO SILVER LAKE JT. RAIL REHAB - ROCHESTER TO SILVER LAKE JT. RAIL REHAB - ROCHESTER TO SILVER LAKE JT.	9 9 0 0 0		0 0 0 0 0	D006525 D006324 D006324 D006324 D006324	001 001 002 003 003		093092 123181 123192 123192			4000000 317918 554,105 456,95 4,917,918
SCID Schenectady County Industrial Development Agency	193543301 893508301	SCOTIA-GLENVILLE INDS. PARK RAIL ACCESS AGCHEM SIDING CONSTRUCTION	9 B		0 78600	D009751 D002822	001 001		123195		012385	1300000 0 1,300,000
SEDA City of Saratoga Springs Economic Development	193527301	QUAD GRAPHICS SIDING	B		0	D000390	001			032885	082388	300000 300,000
SIDA Saratoga County Industrial Development Agency	193521301	CADY HILL INDUSTRIAL PARK	B		0	D140985	001			090181	051187	220000 220,000
SL Slover & Loftus	D93707101 593707101	NYS DOT CONSULTANT 4 NS/CSX ACQUIRE CONRAIL NYS DOT CONSULTANT 4 NS/CSX ACQUIRE CONRAIL	9 9		0 0	D010770	001		022899 022899			200000 200,000
STL Saint Lawrence Railroad	793800301	DEKALB JCT. INTERCHANGE	B		0	D210511	001			093082	091283	225000 225,000
TBSI Temple, Baker & Sloan, Inc.	593558308	OAK PT-HARLEM RIVER YD PRIVATIZATION STUDY	B		0	D550200	001			021089	101389	400000 400,000
TIRR Tonawanda Island Railroad	593539301	TIRR EMERGENCY REHAB. CROSSING RENEWAL	B		0	D000225	001			123184	102688	468000 468,000
TLES TL Engineering Services	593704172	TECH. ASSIST. FOR NEXT GENERATION LOCOMOTIV	O		0	D008939	001					1253000 1,253,000

August 21, 1987

FREIGHT AND ECONOMIC DEVELOPMENT DIVISION
ALL ACTIVE AND CLOSED PROJECTS
IN 2ND PARTY ORDER

AGREE. WITH	PIN	PROJECT DESCRIPTION	PRIM FUND	DOT LET CONTRACT NUMBER	DOT LET BID PRICE	DOT LET COMP. ACTUAL	AGREE. NUMBER	NUM.	COMP. SCHED.	COMP. ACTUAL	ACCOUNT CLOSED	AGREE. AMOUNT
TWS	593564301	BUFFALO RIVER BRIDGE ABUTMENT REMOVAL	B		0	D550157	001		112586		123087	150000 150,000
UCID	893543301	CATSKILL MTN BRANCH SIDING CONSTRUCTION	B		0	D002084	001			050187	011890	250000 250000
UDC	X93564101	MARKETING STRATEGY FOR OAK POINT LINK	B		0	C002209	001		090184			250000
UDC	X93564301	NYS URBAN DEVELOPMENT CORPORATION	B		0	D006826	001				100694	43365 293,365
N.Y. State Urban Development Corporation												
VDF	S07700101	BINGHAMTON RAIL FREIGHT TERMINAL STUDY	B		0	D142029	001			113081	112081	50000 50,000
Vallery Development Foundation, Inc.												
YC	693506301	PENN YAN TRANSLOADING FACILITY	B		0	D000724	001			052386	070888	700000 700,000
Yates County Industrial Development Agency												

\$441,669,507

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DJC/PROJECTS

NEW YORK STATE INVESTMENTS IN THE RAIL INDUSTRY

1. Investments in Metropolitan New York City

Since 1974, the State of New York has committed over 262.8 million dollars to railroad operations and facilities in the New York City metropolitan area. This sum includes funds invested in the development of Oak Point Link, the Harlem River Yard, and Hunts Point, as well as rail construction and maintenance on Long Island, and improved rail service to the Howland Hook Marine Terminal on Staten Island. In particular, New York has spent over 175 million dollars to construct and access a multi-modal facility at Oak Point, for purposes of routing freight traffic around commuter congestion near Grand Central Terminal. The State has committed another 30 million dollars to the opening and operation of Oak Point Link, and is presently pursuing a maintenance contract for the same.

2. Investments in Buffalo Area

New York has contracted with the City of Buffalo, the Buffalo and Pittsburgh Railroad, the Depew, Lancaster & Western Railroad, the Tonawanda Island Railroad, the Erie County Industrial Development Agency, and Conrail, among others, to secure the construction and improvement of rail facilities in and around the Buffalo area. State-funded projects have included track rehabilitation and reconstruction, rail siding installation, rail yard improvements, and terminal bypass connection construction. New York's rail investments in this area of the State over the last two decades exceed 29.8 million

dollars.

3. Investments in Passenger Service

New York has for years vigorously supported the development and improvement of passenger rail service in the northeastern United States. Under existing contracts with Amtrak, New York has spent or will spend over 40 million dollars on track upgrades, line connections, passenger station construction and rehabilitation, and subsidy programs. In addition, New York has committed \$5.3 million dollars to Conrail, Metro-North, and the D&H Railway, among others, for projects facilitating passenger service in the New York City metropolitan area, and along the Empire corridor from New York City to Albany and beyond.

4. Support for Delaware & Hudson Railway Corporation

Throughout the 1980's, New York lent considerable financial support to the Delaware and Hudson Railway, and contributed greatly to its recovery from near bankruptcy. Specifically, the State has allocated 80 million dollars to subsidize D&H operations, and to provide for track, signal, and yard improvements and emergency repairs, along with locomotive and boxcar purchases and improvements.

5. Investments in Short-Line Railroads

Over the last two decades, New York has invested state funds in more than 28 short-line and regional railroads serving New York shippers. The State has allocated over 66.18 million dollars to install and maintain tracks, construct rail

facilities, and expand rail yards, for the benefit of these small rail carriers. The State's efforts have facilitated the continued operation of such railroads, and ensured their availability to New York shippers counting on them for service.

Agreements Between the State of New York
and Conrail Requiring Further Performance by Conrail

<u>Project & Contract Number¹</u>	<u>Conrail Obligations Extending Beyond Projected Date of Acquisition</u>	<u>State Investment</u>
Rochester Industrial Park (D139601)	Maintenance	\$ 401,700.00
Niagara Branch Track (D139744)	Maintenance	\$ 6,058,000.00
Radisson Yard (D139943)	Maintenance and Reimbursement	\$ 2,386,047.22
Massena Branch (D140722)	Maintenance and Operations	\$ 7,500,000.00
Albany-Buffalo Interlocking (D94282)	Maintenance	\$ 5,397,500.00
Phoenix Branch (D094303)	Maintenance	\$ 2,798,040.00
Niagara Junction (D094538)	Maintenance	\$ 578,000.00
Poughkeepsie- Schenectady High- Speed Program (D094666)	Maintenance	\$ 47,380,000.00
Fulton-Oswego Track and Yard (D000306)	Maintenance	\$ 2,250,000.00
Buffalo-Niagara Falls Terminal (D000348)	Maintenance	\$ 4,700,000.00
Southern Tier Mainline (D140091)	Maintenance	\$ 8,536,000.00

¹ Contract numbers correspond with those used to identify New York rail agreements listed in Exhibit ____ (JAU-03).

Southern Tier Graham Line (D140720)	Maintenance	\$ 17,000,000.00
Southern Tier Wellsville Line ² (D140447)	Maintenance	\$ 2,500,000.00
TOTAL:		\$ 107,485,287.22

² A separate, Supplemental Agreement supersedes all three Southern Tier agreements until June 1, 1998. Under the Supplemental Agreement, Conrail's obligations also include providing specified local and through freight train service.



STATE OF NEW YORK
DEPARTMENT OF TRANSPORTATION
WILLIAM C. HENNESSY, COMMISSIONER

PIN \$935.48.301

AGREEMENT

MASSENA BRANCH

This Agreement dated as of July 7, 1980 by and between the people of the State of New York (hereinafter referred to as State) acting by and through the Commissioner of Transportation and the Department of Transportation (hereinafter referred to as Commissioner and Department, respectively) with offices in the Administration and Engineering Building, State Campus, Albany, New York 12232, and the Consolidated Rail Corporation (hereinafter referred to as Railroad), a Pennsylvania Corporation, authorized to do business in New York State, with its main offices at Six Penn Center Plaza, Philadelphia, Pa. 19104.

W I T N E S S E T H

WHEREAS, Section 14-d of the Transportation Law authorizes the Commissioner to enter into contracts for the purpose of maintaining and improving rail transportation service; and

WHEREAS, funds have been appropriated to the Department for the payment of the State's share of the cost of the Project to be undertaken in accordance with the provisions of this Agreement pursuant to the provisions of Section 14-d of the Transportation Law;

NOW, THEREFORE, the parties hereto, in consideration of the mutual promises, conditions, terms, and obligations herein contained, do agree and covenant as follows:

ARTICLE ONE

DEFINITIONS

"Commissioner" means the Commissioner of Transportation of the State of New York, or his authorized representative.

"State" means the State of New York acting by or through the State Department of Transportation.

"Railroad" means the Consolidated Rail Corporation.

"Agreement" means this document and any attachments hereto referred to herein.

"Project Costs" means eligible costs as defined by 23 CFR Part 140 Sub-I for accomplishing the work set forth in the Work Schedule (Appendix 1 of this Agreement).

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"Project Facilities" means materials, equipment, facilities or supplies acquired, constructed, reconstructed, established, improved or rehabilitated by or on behalf of Railroad pursuant to the provisions of this Agreement for the purpose of accomplishing that portion of the work set forth in the Work Schedule, which is located between Woodard, N.Y. and Massena, N.Y. (Appendix 1 of this Agreement).

ARTICLE TWO

CAPITAL IMPROVEMENTS

Section 2.1. Description of Work.

Railroad agrees to provide for the accomplishment of the work described in the Work Schedules constituting Appendix 1 of this Agreement (hereinafter collectively referred to as the "Work Schedule"), which are attached hereto and made a part hereof, in accordance with plans and specifications approved by the Commissioner and the Railroad. Any monetary amounts specified in said Work Schedule for particular items of work are estimates, and the transfer of amounts between line items within the Work Schedule set forth in Appendix 1B is permitted as necessary, subject to the prior written approval of the Commissioner. Any time limits for the accomplishment of work which are set forth in said Work Schedule may be extended or modified by the Commissioner as he deems necessary and any such extension or modification shall not be unreasonably withheld.

Section 2.2. Performance of Work.

Railroad agrees to undertake and to proceed expeditiously with the work to be accomplished as described in the Work Schedule and to complete said work within the time limits specified in said Work Schedule; provided, however, that Railroad shall not be obligated to incur any costs for the performance of work described in the Massena Branch Work Schedule (Appendix 1B) which are in excess of the amount certified to the Railroad by the State as available to the State for payment of the Railroad under this Agreement. The Railroad shall provide the Commissioner with a schedule for accomplishing the work described in Appendix 1. Railroad shall update said schedule annually or as otherwise necessary to assure it accurately reflects the Railroad's timetable for completion.

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Section 2.3. Maintenance.

Railroad agrees to maintain at its own expense the Project Facilities, as well as ancillary facilities within the geographical limits of the Project Facilities used in providing services thereon or therewith, in good order and repair in accordance with applicable Federal Railroad Administration track safety standards or the Commissioner's standards of maintenance as specified in the Maintenance Schedule (Appendix 2).

Section 2.4. Reimbursement.

By executing this Agreement, State certifies that it has monies available and will reimburse Railroad for the Project Costs up to a maximum of Seven Million Five Hundred Thousand (\$7,500,000) Dollars, which Railroad incurs for work performed as described in the attached Work Schedule identified as the Massena Branch Work Schedule (Appendix 1B).

Said costs shall include the cost of preliminary and construction engineering, as well as any costs incurred by Railroad under this Agreement in connection with said work, for which reimbursement is made under 23 CFR Part 140 Sub-I, and amendments thereto, it being intended by the parties hereto that by reference to said 23 CFR Part 140 Sub-I, and amendments thereto, it is agreed that the provisions thereof are deemed to be included herein and are accepted as binding upon the parties to the same extent and with the same force and effect as if said 23 CFR Part 140 Sub-I, and amendments thereto, had been set forth in and made a part of this Agreement, provided, however, that State shall not be obligated to pay nor shall Railroad claim reimbursement for the use of facilities or equipment acquired by Railroad in whole or in part with funds provided by State under this or any other Agreement. Rental charges for Railroad-owned equipment or facilities shall not be eligible for reimbursement hereunder when State-financed equipment or facilities acceptable to the Railroad are made available without cost to Railroad for the work to be accomplished at the time and place required. Railroad shall submit on a monthly basis to State fair and reasonable charges for the cost of the work performed, or facilities and equipment provided, by Railroad, less the value of any Railroad-owned materials recovered, as evidenced by detailed invoices acceptable to Commissioner.

State shall reimburse Railroad in the amount of the approved Project Costs so submitted within thirty (30) days of submission by the Railroad. All costs so submitted by Railroad shall be subject to approval by Commissioner and to audit by the Commissioner or the State Comptroller. Reimbursement therefor by State to Railroad will be made in monthly progress payments covering the Project Costs incurred by Railroad during the preceding

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month in accordance with approved certificates showing the cost of the work so performed or facilities provided. Upon the satisfactory completion of all work, a final statement of Project Costs shall be submitted to State within one hundred eighty (180) days. The final reimbursement payment to Railroad shall be made within thirty (30) days from the submission of the final statement, subject to final audit.

Section 2.5. Title to Materials.

The materials used for the purpose of accomplishing the work set forth in the Massena Branch Work Schedule (Appendix 1B) shall be the property of the State and title thereto shall be vested in the State for the useful life of said materials. For the purposes of this Agreement, the useful life of the materials shall not exceed the term of this Agreement. At the end of the useful life of said materials, or at an earlier date as otherwise set forth in the Special Provisions (Appendix 3) title shall be vested in the Railroad.

Section 2.6. Use and Disposition of Facilities.

Railroad agrees that during the term of this Agreement none of the Project Facilities covered by this Agreement shall be sold, rendered unusable, relinquished or disposed of by Railroad without the express written consent of the Commissioner first having been obtained.

Section 2.7. Manner of Performing Work.

The work specified in the Work Schedules (Appendix 1) may be performed by the employment of the forces and the use of the equipment of Railroad or by approved contract, provided, however, that State may, only with Railroad's approval, perform any such work with its own forces.

Section 2.8. Inspection.

During the term of this Agreement, the Commissioner shall have the right to enter upon the premises of Railroad for the purposes of inspecting and examining the condition of the Project Facilities and any activities conducted pursuant to this Agreement. Such right shall be exercised only at reasonable times and upon prior notice to Railroad.

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ARTICLE THREE

GENERAL PROVISIONS

Section 3.1. Force Majeure.

The obligations of the parties hereunder shall be subject to force majeure (which shall include strikes, riots, floods, accidents, acts of God, fire, lockouts, epidemics, insurrections, acts of public enemies, and other causes or circumstances beyond the control of the party claiming such force majeure as an excuse for nonperformance), but only as long as, and to the extent that, such force majeure shall prevent performance of such obligations, except that no party shall be required to settle any strike, lockout or industrial disturbance by acceding to the demands of the opposition.

Section 3.2. Successors and Assigns.

All the covenants and obligations of the parties hereunder shall bind their successors and assigns whether or not expressly assumed by such successors and assigns.

Section 3.3. Interpretation.

The Article and Section headings utilized in this Agreement are for convenience only and shall not affect the construction hereof. This Agreement shall be construed in accordance with and governed by the laws of the State of New York. All Appendices attached hereto are integral parts of this Agreement and the provisions set forth in the Appendices shall bind the parties hereto to the same extent as if such provisions had been set forth in their entirety in the main body of this Agreement. Nothing expressed or implied herein shall give or be construed to give to any person, firm or corporation other than State or Railroad any legal or equitable right, remedy or claim under or in respect of this Agreement. Neither this Agreement nor any of the terms hereof may be terminated, amended, supplemented, waived or modified orally, but only by an instrument in writing signed by Commissioner and Railroad unless a provision hereof expressly permits either of said parties to effect termination, amendment, supplementation, waiver or modification hereunder, in which event such action shall be taken in accordance with the terms of such provision.

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Section 3.4. Notices.

Any request, demand, authorization, direction, notice, consent, waiver, or other document provided for or permitted by this Agreement to be made upon, given or furnished to, or filed with one party by the other party, shall be in writing and shall be delivered by hand or by deposit in the mails of the United States, postage prepaid, if to Commissioner, in an envelope addressed as follows:

Commissioner of Transportation
State of New York
Department of Transportation
1220 Washington Avenue
State Campus
Albany, New York 12232

and if to Railroad, in an envelope addressed to the attention of:

General Manager, Northeastern Region
Consolidated Rail Corporation
54 Meadow Street
New Haven, Conn. 06506

Each party may change the address at which it shall receive notification hereunder by notifying the other of such change.

Section 3.5. Counterparts.

This Agreement may be executed in any number of counterparts, each of which shall be an original.

Section 3.6. Relationship of Parties.

The relationship of the Railroad to the State is that of an independent contractor, and said Railroad, in accordance with its status as such contractor, covenants and agrees that it will conduct itself consistent with such status, that it will neither hold itself out as nor claim to be an officer or employee of the State by reason hereof, and that it will not, by reason hereof, make any claim, demand or application to or for any right or privilege applicable to an officer or employee of the State, including but not limited to workmen's compensation coverage, unemployment insurance benefits, social security coverage, or retirement membership or credit.

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Section 3.7. Records and Documents.

Railroad shall maintain books, records and supporting documents in connection with the work to be accomplished pursuant to this Agreement. All books, records, bills, vouchers, payrolls, invoices and other documents of every type and description pertaining to the work under this Agreement shall be available to Commissioner or the State Comptroller, or their authorized representatives, for inspection and audit. All costs charged to State under this Agreement shall be supported by payrolls and time records, material consumption reports, business expense statements, paid invoices and contracts evidencing in detail the nature of the charges for which reimbursement is sought.

Section 3.8. Risk of Liability.

(a) Railroad agrees to indemnify and save harmless State from any and all liability for injury to or death of any person or persons and for loss of, damage to, or destruction of any property or equipment which arises from activities conducted by or on behalf of Railroad pursuant to this Agreement, except when attributable to the fault or negligence of the State or its agents, employees, or contractors other than the Railroad.

(b) In case suit shall at any time be brought against State asserting a liability against which Railroad agrees to indemnify and save harmless State, Railroad shall, at its own cost and expense and without any cost or expense whatever to State, defend such suit and indemnify and save harmless State against all costs and expenses thereof and promptly pay or cause to be paid any final judgment recovered against State; provided, however, that State shall promptly upon the bringing of any such suit against it give notice to Railroad and thereafter provide all such information as may from time to time be requested. State shall furnish to Railroad all such information relating to claims made for injuries, deaths, losses, damage, or destruction of the type covered by this Section as Railroad may from time to time request.

Section 3.9. Approval of Contracts.

Railroad shall not execute any contracts, subcontract, or amendment thereto, or obligate itself in any other manner with any third party relating to or with respect to the work described in the Work Schedule (Appendix 1) without the prior written approval of the Commissioner.

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Section 3.10. Effective Date of Agreement.

This Agreement shall take effect at the time at which it is approved by the State Comptroller.

Section 3.11. Term of this Agreement.

The term of this Agreement shall be thirty (30) years, commencing the effective date hereof, unless previously terminated in accordance with Section 3.12, Termination Clause, or under the Special Provisions, Appendix 3 hereof.

Section 3.12. Termination Clause.

State reserves the right to terminate or suspend this Agreement for the State's convenience. Such right of termination or suspension shall be exercised, at the discretion of Commissioner, by delivery of written notice thereof to Railroad, and such termination or suspension shall thereupon take effect immediately. However, nothing in this Agreement or in this Section 3.12 shall relieve State of its obligation to pay Railroad for eligible costs and expenses which Railroad has incurred prior to receipt of such written notice or for which Railroad has incurred a legally enforceable liability under the terms or for the purposes of this Agreement prior to such termination or suspension.

Section 3.13. Documents Forming Agreement.

This Agreement shall consist of this document and the following attachments:

Appendix 1 - Work Schedule in two parts
 1A - Supplemental Work Schedule
 1B - Massena Branch Work Schedule

Appendix 2 - Maintenance Schedule

Appendix 3 - Special Provisions

Appendix A - New York State Required Contract Provisions

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CONSOLIDATED RAIL CORPORATION

By *[Signature]*

Sr. Vice President-Marketing & Sales

PEOPLE OF THE STATE OF NEW YORK

By *[Signature]*

Commissioner of Transportation

Approved:

[Signature]
ROBERT ALPHEUS

Attorney-General

Approved:

[Signature] 8/4/80
W. M. *[Signature]*

For the Comptroller Pursuant to
Section 112, State Finance Law

COMMONWEALTH OF PENNSYLVANIA)
COUNTY OF PHILADELPHIA) SS

On this 10th day of July, 1980,
before me personally came J. A. Hagen
to me known and known to me to be the Gen. V. P. Marketing & Sales
of the Consolidated Rail Corporation described in and
which executed the foregoing instrument, and he
acknowledged to me that he executed the same.

Carol Ann Connell

Notary Public

Notary Public, Philadelphia, Philadelphia Co.
My Commission Expires April 4, 1982

APPENDIX 1
Page 1 of 2

MASSENA BRANCH

WORK SCHEDULE

This Work Schedule consists of the following appendices:

- LA - Supplemental Work Schedule
- LB - Massena Branch Work Schedule

The total State obligation of the Project Costs is Seven Million Five Hundred Thousand Dollars (\$7,500,000).

The work described in this Work Schedule is to be performed on those properties of the Consolidated Rail Corporation between Woodard, N.Y. and Massena, N.Y., lying in the Counties of Onondaga, Oswego, Jefferson and St. Lawrence, in the State of New York, during calendar years 1980 and 1981.

The scope of work to be completed in accordance with Work Schedules LA and LB shall include, as appropriate:

GENERAL

1. Distribution of all materials required for the work.
2. Cleanup of all scrap materials and distribution of all replaced ties, timber and other materials.
2. Cutting and/or removal of brush and trees within ten feet of track centerline.

TIE RENEWALS

1. Replacing defective ties designated by Railroad's inspectors within the mile post and quantity limits specified.
2. Replacing broken, damaged, corroded and single shoulder tie plates at locations where new ties are installed under this Agreement, except where Work Schedule rail renewals will renew or replace such tie plates.
3. Removing all track shims within limits of tie renewal projects.

APPENDIX 1
Page 2 of 2

4. Replacing defective switch ties within limits of tie renewal projects.

TRACK RAISING AND SURFACING

1. Replacing mud-fouled ballast.
2. Making drainage improvements, including opening of blocked drainage ditches.
3. Surfacing, aligning and leveling ballast.

MISCELLANEOUS TRACK IMPROVEMENTS WHERE TIE RENEWALS ARE SCHEDULED

1. Renewing track and crossing surfaces through public and private highway grade crossings with new ties, tie plates, spikes, ballast and relayer rail, resurfacing crossing with guard timbers and asphalt paving where Track Rehabilitation Work Schedule requires work to be done through grade crossings.
2. At all locations where rail renewals are not scheduled
 - a. Replacement of cracked and broken splice bars and defective bolts.
 - b. Tightening of all joint bolts.
 - c. Cross-grinding of all rail ends.
 - d. Replacement of defective rail anchors, installation of proper design and quantity of rail anchors at Railroad's standards for single or double track, as appropriate.
 - e. Renewal of insulated joints, where necessary.

RAIL RENEWALS

1. Replacement of rail with relayer continuous welded rail within the mile post limits specified for relayer rail.
2. At all locations where rail renewals are scheduled, renewal of turnouts and crossovers with new RE 132 or RE 140 materials
3. Replacement of other track material with new track material within the mile post limits specified for relayer rail including replacement with new reformed or oversized splice bars, new spikes, rail anchors, insulated joints and new tie plates as necessary.

APPENDIX 1A

MASSENA BRANCH
SUPPLEMENTAL WORK SCHEDULE

Part (1)

The following work is to be performed by Railroad at Railroad's expense on those properties of the Consolidated Rail Corporation between Woodard, N.Y. and Massena, N.Y., during calendar year 1980:

<u>Track</u>	<u>Location</u>	<u>Miles</u>	<u>Quantity</u>
<u>A. Tie Renewals - Grade 3A, 4 and 5 Ties</u>			
S	70.7-72.1	1.4	1,138
S	72.1-86.0	13.9	13,262
S	86.0-95.2	8.8	9,300
S	121.9-131.0	9.1	9,944
	Sub-Total	33.2	33,644
<u>B. Rail Renewal - DY 127 or RE 132 Relayer Welded Rail</u>			
S	22.0-35.4	13.4	Incl. 2 turnouts
S	70.7-84.1	-	Incl. 5 turnouts
<u>C. Track Raising and Surfacing</u>			
S	0.0-22.0	22.0	
S	22.0-35.4	13.4	
S	58.0-70.7	12.7	
S	70.7-95.2	49.0	
S	95.2-121.9	26.7	
S	121.9-131.0	18.2	
S	131.0-143.0	12.0	
	Sub-Total	154.0	

Part (2)

Subject to approval by Railroad's Board of Directors, the following quantity of work is to be performed by Railroad at Railroad's expense on those properties of the Consolidated Rail Corporation between Woodard, N.Y. and Massena, N.Y. during calendar year 1981 with the understanding that the specific work schedule will be submitted to the State on or before April 1, 1981:

A. Tie Renewals, Grade 3A, 4 and 5 ties	5,000 ties
B. Rail Renewal, DY 127 or RE 132 Relayer Welded Rail, including 9 new turnouts to renew existing turnouts	17 Track Miles
C. Track Raising and Surfacing	30 Miles

APPENDIX 1B

MASSENA BRANCH WORK SCHEDULE

Part (1)

The following work is to be performed on those properties of the Consolidated Rail Corporation between Woodard, N.Y. and Massena, N.Y., during calendar year 1980:

<u>Track</u>	<u>Location</u>	<u>Miles</u>	<u>Quantity</u>	<u>W.O</u>
<u>A. Tie Renewals - Grade 3A, 4 and 5 Ties</u>				
S	131.0-160.8	29.8	31,913	34,145
S	Sidings and Yard Tracks between MP 131.0 and MP 160.8		1,731	
	Sub-Total		33,644	224
<u>B. Rail Renewal - DY 127 or RE 132 Relayer Welded Rail</u>				
S	AE 101 70.7-84.1	1.2	13.4	6 Turnouts w
S	AE 112 71.9-84.1	12.2		Rail 1980 - 22424
<u>C. Track Raising and Surfacing</u>				
S	70.7-84.1	13.4		Turnouts - 22449
S	143.0-160.8	35.6		
Sidings	Various Locations	3.0		
	Sub-Total	52.0		1980 21

Part (2)

Subject to approval by the Commissioner, the following work is to be performed on those properties of the Consolidated Rail Corporation between Woodard, N.Y. and Massena, N.Y., during calendar year 1981, with the understanding that the specific work schedule will be submitted to the State on or before April 1, 1981:

- A. Tie Renewals, Grade 3A, 4 and 5 12,439 installed 5,000 Ties :
 B. Rail Renewals, DY 127 or RE 132 Relayer Welded Rail, including 8 new turnouts to renew existing turnouts 16.86 installed 17 Miles :
 C. Track Raising and Surfacing 30 Miles :

<u>Estimate of Cost</u>	<u>1980</u>	<u>5/21/81</u>
A. Tie Renewal	1,739,000 -	1,900,000 -
B. Rail & Turnouts	5,187,000 -	5,026,000 -
C. Surfacing	574,000 -	574,000 -
	<u>7,500,000 -</u>	<u>7,500,000 -</u>

MAINTENANCE SCHEDULE

Upon completion of each item of work specified in the Work Schedule (Appendix 1), the Railroad shall, for a period of eight (8) years from the date of completion of the Project Facilities, maintain all track and roadbed rehabilitated under the terms of this Agreement in a condition that meets or exceeds all requirements of the following Federal Railroad Administration Track Safety Standards:

A. FRA Class 3, where said Project Facilities include rail renewals with continued welded relayer rail; and

B. FRA Class 2, where said Project Facilities do not include such rail renewals.

Except for and subject to the Railroad's rights to terminate and discontinue or abandon operations over the rail lines subject to this Agreement, Railroad shall thereafter maintain all track rehabilitated under the terms of this Agreement at a level commensurate with facility usage for a period not to exceed thirty (30) years from the date of this Agreement.

APPENDIX 3
Page 1 of 3

SPECIAL PROVISIONS

1. For a period of eight (8) years from the effective date of this Agreement, Railroad will:

A. Operate the Project Facilities between Woodard and Massena, rehabilitated in accordance with the Work Schedule (Appendix 1), as a main freight route between Syracuse and Montreal.

B. Operate local freight service to the extent necessitated by rail traffic to and from rail customers on that portion of Railroad's line between Massena and Woodard.

2. Thereafter, for the remainder of the term of this Agreement, Railroad will continue to operate local freight service to the extent necessitated by rail traffic to and from rail customers located between Woodard and Massena.

Railroad shall have the right to abandon part or all of the Project Facilities, or discontinue or curtail services thereover; provided that:

A. Said abandonment of part or all of Project Facilities, discontinuance or curtailment of service, has been authorized by the Interstate Commerce Commission or other body having jurisdiction thereof, as may be appropriate.

B. At the time of said abandonment of Project Facilities, discontinuance or curtailment of service, the applicable Project Facilities shall comply with all provisions of the Maintenance Schedule.

C. If the operating costs over any part of the Project Facilities becomes excessive due to Railroad's failure to comply with the maintenance obligations set forth in the Maintenance Schedule (Appendix 2), such annual operating costs, as a result of deferred maintenance, shall not be used as an element in the justification for abandonment of said line or operations over said line.

3. In the event of Railroad's discontinuance of rail freight service over part or all of the Project Facilities:

APPENDIX 3
Page 2 of 3

A. During the first eight (8) years from the date of this Agreement, State may, at its option, purchase from Railroad that portion of the Railroad's property and related facilities occupied by the portion of the Project Facilities over which such service has been discontinued. The price to be paid to Railroad by the State shall be that which shall have been determined by the Special Court created pursuant to the Regional Rail Reorganization Act of 1973 (45 U.S.C.A. §706 et seq.) as amended, in the Valuation Case, for the portion to be conveyed or, in the event of a lump sum settlement with the trustees, shall be the amount of the settlement with the trustees of the relevant portion multiplied by a fraction whose numerator shall be the net liquidation value assigned by the USRA to the portion and whose denominator shall be the value assigned by USRA in the Final System Plan to the lands and buildings of the total estate involved. The value of the improvements made pursuant to this Agreement and paid for by the State shall not be included in the determination of the purchase price. In the event USRA or the Special Court have not assigned a separate value to the particular portion which the State desires to purchase or if the Valuation Case has not been concluded, by court order or otherwise, the option price shall be fair market value less the depreciated value of the improvements made under this contract. The depreciated value shall be determined using the same methods set forth in Section 11-B of this Agreement.

B. At any time after July 7, 1988, if Railroad abandons the Project Facilities, or any portion thereof, the Railroad shall reimburse the State a monetary amount equivalent to the depreciated value of the actual investment made by the State under the terms of this Agreement, whereupon State shall transfer to the Railroad free and clear of all taxes its title to all materials used for the purpose of accomplishing the work set forth in the Work Schedule (Appendix 1). This monetary amount shall be determined by use of the straight line depreciation method, using a thirty (30) year service life. For the purpose of such determination, depreciation shall begin at the effective date of this Agreement.

In lieu of the Railroad's reimbursement, the State may elect to use the depreciated value of its investment as a partial payment toward the purchase of part or all of the improved rail line; provided, however, that the application of such depreciated value shall result in no negative net purchase price nor require any payment to State by Railroad as the result thereof. In electing this option, the State shall have the right of first refusal for the purchase of this line at its fair market value.

APPENDIX 3
Page 3 of 3

4. Project Costs for Supplemental Work Schedule (Appendix 1A) shall be paid by Railroad.

5. At no time shall Railroad request reimbursement from State nor shall State reimburse Railroad for Project Costs for quantities or units of work done under the Massena Branch Work Schedule (Appendix 1B) in excess of quantities or units of respective items of work done by Railroad at Railroad's expense under the Supplemental Work Schedule (Appendix 1A). State shall provide State personnel at no cost to Railroad for the purpose of certifying the quantities or units of work done under the Massena Branch Work Schedule (Appendix 1B), which certification shall not be unreasonable withheld.

6. This Agreement is executory only to the amount of money required to reimburse the Railroad for Project Costs for the work done under the Massena Branch Work Schedule (Appendix 1B).



STATE OF NEW YORK
DEPARTMENT OF TRANSPORTATION
RAYMOND T. SCHULER, COMMISSIONER

AGREEMENT

CONSOLIDATED RAIL CORPORATION
POUGHKEEPSIE - SCHENECTADY HIGH SPEED RAIL
TRACK AND SIGNAL PROGRAM
PIN S935.12.301

RECEIVED

MAY 18 1977

DEPARTMENT OF
TRANSPORTATION
SECTION

POUGHKEEPSIE - SCHENECTADY HIGH SPEED RAIL

TRACK AND SIGNAL PROGRAM

This Agreement dated March 1, 1977 by and between the people of the State of New York (hereinafter referred to as State) acting by and through the Commissioner of Transportation and the Department of Transportation (hereinafter referred to as Commissioner and Department, respectively) with offices in the Administration and Engineering Building, State Campus, Albany, New York, 12232, and the Consolidated Rail Corporation (hereinafter referred to as Railroad), authorized to do business in New York State, with its main offices at 6 Penn. Center Plaza, Philadelphia, Pa. 19104.

W I T N E S S E T H

WHEREAS, the continued abandonment and curtailment of essential rail transportation services in the State threaten the economy of the State, further exacerbate the problems attending the energy crisis and the quality of the environment, and adversely affect employment levels and commercial and industrial enterprise within the State; and

WHEREAS, it is vital to the well being of the State and its citizens that steps be taken to assist in the preservation and improvement of service on essential lines and to insure the preservation, rehabilitation and upgrading of the facilities necessary to the provision of such service; and

WHEREAS, Section 14-d of the Transportation Law authorizes the Commissioner to enter into contracts for the purpose of maintaining and improving rail transportation service; and

WHEREAS, Chapter 257 of the Laws of New York of 1975 appropriated funds to the Department for the payment of the State's share of the cost of construction, improvement or rehabilitation of any railroad capital facilities and any capital improvement used in connection therewith pursuant to the provisions of Section 14-d of the Transportation Law;

NOW, THEREFORE, the parties hereto, in consideration of the mutual promises, conditions, terms, and obligations herein contained, do agree and covenant as follows:

ARTICLE ONE

DEFINITIONS

"Commissioner" means the Commissioner of Transportation of the State of New York.

"State" means the State of New York acting by or through the State Department of Transportation.

"Railroad" means the Consolidated Rail Corporation.

"Amtrak" means National Railroad Passenger Corporation.

ARTICLE TWO

CAPITAL IMPROVEMENTS

Section 2.1. Description of Work.

Railroad agrees to provide for the accomplishment, at State expense, of the work described in the Work Schedule (Appendix 1) of this Agreement which is attached hereto and made a part hereof and in accordance with specifications approved by Commissioner. Railroad also agrees to acquire, at State expense, the equipment described in the Equipment Schedule (Appendix 2) of this Agreement which is attached hereto and made a part hereof. The monetary amounts specified in said Work Schedule and Equipment Schedule for particular items of work and equipment are estimates, and the transfer of amounts between line items is permitted as necessary. Any time limits for the accomplishment of work which are set forth in said Work Schedule may be extended or modified by the Commissioner as he deems necessary.

Section 2.2. Performance of Work.

Railroad agrees to undertake and proceed expeditiously with the work to be accomplished as described in the Work Schedule, and to complete said work within the time limits specified in said Work Schedule; provided, however, that Railroad shall not be obligated to incur costs for the accomplishment of said work described in the Work Schedule which are in excess of payments to be made by State under this Agreement. Railroad also agrees to expeditiously acquire the track equipment described in the Equipment Schedule.

Section 2.3. Maintenance.

Railroad agrees to maintain the tracks, roadbed and signal systems covered by this Agreement as well as ancillary facilities used in providing services thereon in good order and repair in accordance with Federal Railroad Administration track safety standards and the Commissioner's standards of maintenance as specified in Part A of the Maintenance Schedule (Appendix 4). Railroad also agrees to maintain the track equipment covered by this Agreement in good order and repair in accordance with the Commissioner's standards of maintenance as specified in Part B of the Maintenance Schedule (Appendix 4). The Commissioner's standards of maintenance shall be as specified in Appendix 4.

Section 2.4. Reimbursement (Track, Roadbed, Signals and Equipment).

State agrees to reimburse Railroad for the entire cost of track, roadbed, signal systems and track equipment, as described in the attached Work Schedule (Appendix 1) and Equipment Schedule (Appendix 2) including the cost of preliminary and construction engineering, removal and restoration of associated facilities and roadbed stabilization work (as necessary), as well as for facilities provided by Railroad under this Agreement in connection with said work, pursuant to the Brown Book dated June 1, 1930, which together with amendments thereto has been issued by Commissioner. It is intended by the parties hereto that by reference to said Brown Book and amendments thereto it is agreed that the provisions thereof are deemed to be included herein and are accepted as binding upon the parties to the same extent and with the same force and effect as if said Brown Book and amendments thereto had been set forth in and made a part of this Agreement.

Railroad shall submit to Commissioner costs pursuant to said Brown Book for the work performed or facilities provided by Railroad, less the value of materials recovered, as evidenced by detailed invoices acceptable to Commissioner. State shall reimburse Railroad in the amount of the approved costs so submitted, but in no event shall the total cost to State of said work exceed the total amounts specified in the Executory Clause, Schedule B(II), hereof, except as such cost may hereafter be increased pursuant to an amended agreement. All costs so submitted by Railroad shall be subject to approval by Commissioner and to audit by the State Comptroller. Reimbursement therefor by State to Railroad will be made in monthly progress payments as to work performed or facilities provided by Railroad in accordance with approved certificates showing the cost of the work so performed or facilities provided. Upon the completion of all work by Railroad, a final statement of costs shall be submitted to State within ninety (90) days. The final reimbursement payment to Railroad shall be made within thirty (30) days from the submission of the final statement, subject to final audit by the State Comptroller.

Section 2.5. —Use and Disposition of Facilities and Equipment.

Railroad agrees that so long as it operates trains for its own account or operates passenger trains for AMTRAK or for the successor of AMTRAK during the periods of time specified for each project in Appendix 4 over tracks upon which work has been performed by Railroad pursuant to this Agreement, none of the tracks or related facilities covered by this Agreement, nor any item of equipment acquired by Railroad in whole or in part with funds which have been or will be reimbursed by State pursuant

to this Agreement, shall be sold, rendered unusable, relinquished or disposed of by Railroad without the express written consent of Commissioner first having been obtained.

Section 2.6. Manner of Performing Work.

The work covered by this Agreement may be performed by the employment of the forces and the use of the equipment of Railroad or by contract, provided, however, that State may elect with Railroad's approval to perform any such work with its own forces.

Section 2.7. Speeds and Speed Restrictions.

At the time that all items of work at a particular location are completed as provided for in Appendix 1, all speed restrictions in effect at that location shall be removed and the allowable speed at such location shall thereafter be the same as the higher of the then prevailing allowable speeds at either end of that location, or, where applicable, the maximum design speed for such location, generally as set forth in Appendix 3. Neither this Section 2.7 nor any appendix referred to herein shall create any legal or equitable right, remedy or claim in any third party, unless specifically provided for in this agreement, regardless of the fact that any such third party might be benefited by the performances herein promised. Without in any way diminishing, limiting, or varying the obligations of the Railroad as herein set forth or referred to, the parties agree that this Section 2.7 is not intended to constitute a guarantee or warranty of any kind by either the railroad or the State in favor of any third party.

ARTICLE THREE

MISCELLANEOUS

Section 3.1. Force Majeure.

The obligations of the parties hereunder shall be subject to force majeure (which shall include strikes, riots, floods, accidents, acts of God, and other causes or circumstances beyond the control of the party claiming such force majeure as an excuse for non-performance), but only as long as, and to the extent that, such force majeure shall prevent performance of such obligations.

Section 3.2. Successors and Assigns.

All the covenants and obligations of the parties hereunder shall bind their successors and assigns whether or not expressly assumed by such successors and assigns.

Section 3.3. Interpretation.

The Article and Section headings utilized in this Agreement are for convenience only and shall not affect the construction hereof.

This Agreement shall be construed ~~in accordance with and governed by the laws of the State of New York.~~ All Appendices attached hereto are integral parts of this Agreement and the provisions set forth in the Appendices shall bind the parties hereto to the same extent as if such provisions had been set forth in their entirety in the main body of this Agreement. Nothing expressed or implied herein shall give or be construed to give to any person, firm or corporation other than State or Railroad any legal or equitable right, remedy or claim under or in respect of this Agreement. Neither this Agreement nor any of the terms hereof may be terminated, amended, supplemented, waived or modified orally, but only by an instrument in writing signed by Commissioner and Railroad unless a provision hereof expressly permits either of said parties to effect termination, amendment, supplementation, waiver or modification hereunder, in which event such action shall be taken in accordance with the terms of such provision.

Section 3.4. Severability.

If any part of this Agreement is determined to be invalid, illegal or unenforceable, such determination shall not affect the validity, legality or enforceability of any other part of this Agreement and the remaining parts of this Agreement shall be enforced as if such invalid, illegal or unenforceable part were not contained herein.

Section 3.5. Notices.

Any request, demand, authorization, direction, notice, consent, waiver, or other document provided for or permitted by this Agreement to be made upon, given or furnished to, or filed with one party by the other party, shall be in writing and shall be delivered by hand or by deposit in the mails of the United States, postage prepaid, if to Commissioner, in an envelope addressed as follows:

Commissioner of Transportation
State of New York
Department of Transportation
1220 Washington Avenue
State Campus
Albany, New York 12232

and if to Railroad, in an envelope addressed to the attention of:
General Manager, Northeastern Region
Consolidated Rail Corporation
54 Meadow Street
New Haven, Conn. 06506

Each party may change the address at which it shall receive notification hereunder by notifying the other of such change.

Section 3.6. Counterparts.

This Agreement may be executed in any number of counterparts, each of which shall be an original.

Section 3.7. Relationship of Parties.

The relationship of the Railroad to the State is that of an independent contractor, and said Railroad, in accordance with its status as such contractor, covenants and agrees that it will conduct itself consistent with such status, that it will neither hold itself out as nor claim to be an officer or employee of the State by reason hereof, and that it will not, by reason hereof, make any claim, demand or application to or for any right or privilege applicable to an officer or employee of the State, including, but not limited to workmen's compensation coverage, unemployment insurance benefits, social security coverage, or retirement membership or credit.

Section 3.8. Records and Documents.

Railroad shall maintain books, records and supporting documents in connection with the work to be accomplished pursuant to this Agreement. All books, records, bills, vouchers, payrolls, invoices and other documents of every type and description pertaining to the work under this Agreement shall be available to Commissioner or the State Comptroller, or their authorized representatives, for inspection and audit. All costs charged to State under this Agreement shall be supported by payrolls and time records, material consumption reports, business expense statements, paid invoices, and contracts evidencing in detail the nature of the charges for which reimbursement is sought.

Section 3.9. ~~Assignment of Agreement.~~

Railroad agrees ~~not~~ to assign, transfer, convey, sublet or otherwise dispose of this Agreement or any part thereof, or of Railroad right, title or interest therein or its power to execute such Agreement without the prior written consent of Commissioner.

Section 3.10. ~~Approval of Contracts.~~

Railroad shall not execute any contract, subcontract, or amendment thereto, or obligate itself in any other manner with any third party with respect to the work to be undertaken pursuant to this Agreement without the prior written approval of the Commissioner.

Section 3.11. Effective Date of Agreement.

This Agreement shall take effect at the time at which it is approved by the State Comptroller.

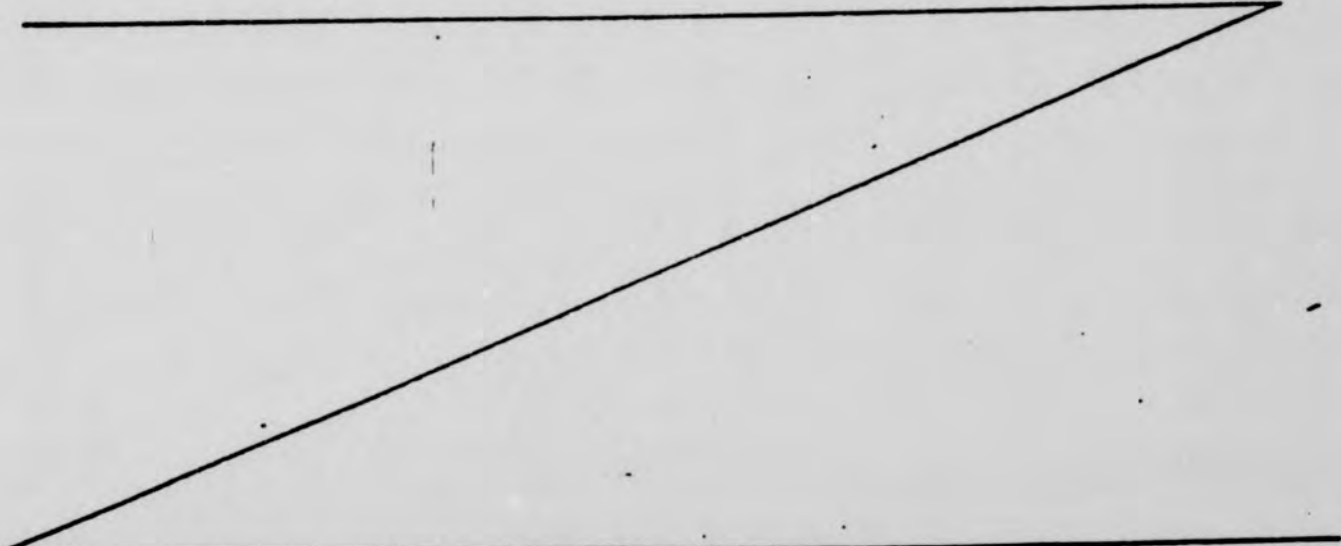
Section 3.12. Termination Clause.

State reserves the right to terminate or suspend this Agreement, for any reason whatsoever. Such right of termination or suspension shall be exercised, at the discretion of Commissioner, by delivery of written notice thereof to Railroad, and such termination or suspension shall thereupon take effect immediately. However, nothing in this Agreement or in this Section 3.13 shall relieve State of its obligation to reimburse Railroad for costs and expenses which Railroad has incurred or committed itself to under the terms or for the purposes of this Agreement prior to such termination or suspension.

* — Section 3.13. Risk of Liability.

(a) Railroad agrees to indemnify and save harmless State from any and all liability for injury to or death of any person or persons and for loss of, damage to, or destruction of any property or equipment which arises from activities conducted by or on behalf of Railroad pursuant to this Agreement.

(b) In case suit shall at any time be brought against State asserting a liability against which Railroad agrees to indemnify and save harmless State, Railroad shall, at its own cost and expense and without any cost or expense whatever to State, defend such suit and indemnify and save harmless State against all costs and expenses thereof and promptly pay or cause to be paid any final judgment recovered against State; provided, however, that State shall promptly upon the bringing of any such suit against it give notice to Railroad and thereafter provide all such information as may from time to time be requested. State shall furnish to Railroad all such information relating to claims made for injuries, deaths, losses, damage, or destruction of the type covered by this Section as Railroad may from time to time request.



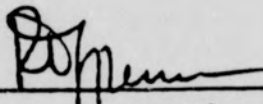
Section 3.14. Documents Forming Agreement.

This Agreement shall consist of this document and the following attachments:

- Appendix 1 - Work Schedule
- Appendix 2 - Equipment Schedule
- Appendix 3 - Maximum Speeds for Passenger Trains
After Completion of Appendix 1
Work Schedule
- Appendix 4 - Standards of Maintenance
- Appendix 5 - Special Provisions
- Schedule B - New York State Required Standard Clauses

CONSOLIDATED RAIL CORPORATION

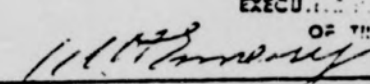
By


PRESIDENT

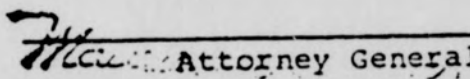
PEOPLE OF THE STATE OF NEW YORK

EXECUTIVE COMMISSIONER
OF TRANSPORTATION

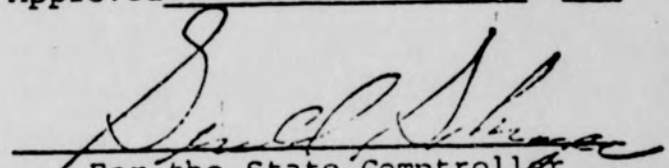
By


Commissioner of Transportation

Approved 5/14 1977


Attorney General

Approved 5/17 1977


For the State Comptroller

COMMONWEALTH OF PENNSYLVANIA)
) SS
COUNTY OF PHILADELPHIA)

On this 30th day of April, 1977,
before me personally came R. D. Spence
to me known and known to me to be the President
of the Consolidated Rail Corporation described in and which
executed the foregoing instrument, and he acknowledged to me
that he executed the same.

Caul Van Cornell

Notary Public

Notary Public for the State of Pennsylvania, Co.

My Commission Expires April 6, 1978

WORK SCHEDULE (a)

A. 1977 Work Schedule (b)

A. 1977 Work Schedule (b)					Estimated Cost		
#	Trk	MP to MP	Miles	Days	Location	Cost	
<u>1. New (132#) Welded Rail (including Surfacing)</u>							
	2	113.4-126.5	13.1	65	Hudson-CP126	\$1,520,000	
	2	86.8- 89.7	2.9	15	Rhinecliff	340,000	
	2	94.3-104.3	10.0	50	Barrytown-Germantown	1,160,000	
	S	143.7-151.5	7.8	40	CP4-CP6	1,005,000	
New #1	126.5-141.8	15.3	C		CP126-Rensselaer	2,300,000	
S	156.5-159.6	3.1	C		CP8-Schenectady	450,000	
					Sub-Total	\$6,775,000	
<u>2. Ties, including Surfacing</u> <u>Quantity</u>							
	2	87.0- 89.7	2.7	8	2,700	Rhinecliff	\$ 88,000
	2	94.3-101.0	6.7	18	6,700	Barrytown	211,000
Sdg	143.7-151.5	7.8	20	8,000	CP4-CP6	223,300	
S	143.7-151.5	7.8	20	7,800	CP4-CP6	208,000	
S	151.5-156.5	5.0	20	5,000	CP6-CP8	143,300	
S	156.5-169.8	13.3	30	20,000	CP8-CP11	633,400	
1	99.5-116.7	17.2	43	17,200	Germantown	555,000	
2	75.7- 80.0	4.3	11	4,300	Hyde Park	140,000	
2	82.0- 87.0	5.0	13	5,000	Staatsburg	163,000	
1	75.7- 88.0	12.3	31	12,300	Hyde Park	400,000	
1	88.0- 95.1	7.1	18	7,100	Rhinecliff	231,000	
1	116.7-121.5	4.8	12	4,800	Stockport	160,000	
New #1	126.5-141.8	15.3	C	49,000	CP126-Rensselaer	1,500,000	
					Sub-Total	\$4,656,000	
<u>3. Bridge Timber (including spacing bars, painting upper flange, metal walkway)</u>							
S	160.4-160.5	0.1	15	725	Mohawk River	\$ 81,000	
<u>4. Cab Signal Wayside Installation-Design and Construction (1977-78)</u>							
S	142.5-170.0	27.5			Rensselaer-CP11	\$ 415,000	
1	75.7-141.8	66.1			Rensselaer-Poughkeepsie	795,000	
2	75.7-141.8	66.1			Rensselaer-Poughkeepsie	795,000	
					Sub-Total	\$2,005,000	

5.	<u>Restoration of Traffic Control Signal System</u>				
S	156.5-170.0	13.5	Carman-Hoffmans	\$	275,000
6.	<u>Ditching, Brush Cutting, Restoration of Wayside Signs</u>				
S	156.5-169.8	13.3	Carman-Hoffmans	\$	33,000
7.	<u>Curve re-alignment to larger radius (to be approved by Commissioner)</u>				
S	164.0-167.1	3.1		\$	75,000
8.	<u>Install Traffic Control Signal Systems on New Track</u>				
New #1	126.5-141.8	15.3		\$	450,000
1977 Sub-Total				\$14,350,000	

B. 1978 Work Schedule (c)

Trk	MP to MP	Miles	Days		Location	Estimated Cost
<u>1. New 132# Welded Rail (including Surfacing)</u>						
S	159.6-169.8	10.2	40		Schenectady-Hoffmans	\$1,200,000
S	151.5-156.5	5.0	40		CP6-Schenectady	550,000
S	141.8-143.7	1.9	10		Rensselaer	300,000
2	104.3-111.3	7.0	35		Germantown north	881,000
2	79.9- 85.9	6.0	30		Hyde Park-Staatsburg	745,000
2	85.9- 86.8	0.9	5		S. of Rhinecliff	110,000
2	89.7- 94.3	4.6	23		Rhinecliff-Barrytown	562,000
1	95.1-111.4	16.3	82		Barrytown-Germantown	2,030,000
					Sub-Total	\$6,378,000
<u>2. Ties, including Surfacing</u>						
				Quantity		
1	121.5-126.5	5.0	13	5,000	Stuyvesant	\$ 170,000
3/New #2	140.5-143.7	3.2	10	4,800	Rensselaer	149,000
2	80.0- 81.0	1.0	5	1,500	Hyde Park	50,000
1	95.1- 99.5	4.4	12	4,400	N. of Barrytown	150,000
					Sub-Total	\$ 519,000
<u>3. Curve re-alignment to larger radius than 1°30' curve</u>						
2	104.3-105.0	0.7			Germantown	\$ 25,000
1	104.3-105.0	0.7			Germantown	25,000
					Sub-Total	\$ 50,000
<u>4. Bridge Timber (including spacing bars, painting upper flange, metal walkway)</u>						
1	118.5-118.6	0.1	15	485	Stockport	\$ 29,000
2	118.5-118.6	0.1	15	485	Stockport	29,000
1	126.1		2	40	Bridge 324	3,000
2	126.1		2	40	Bridge 324	3,000
New #2	126.7		2	32	Bridge 325	2,000
New #1	126.7		2	32	Bridge 325	2,000
S	158.9		3	82	Bridge 378-D&H	5,000
S	165.8		2	56	Bridge 391-Waltons	4,000
						\$ 77,000
<u>5. Cab Signal Test Loop Installation (Selkirk, Buffalo Syracuse, Grand Central, Cedar Hill)</u>						
						\$ 150,000
<u>6. Cab Signal Unit Installation on Locomotives</u>						
	12 Units @ \$15,000					\$ 180,000

1978 Sub-Total

\$7,354,000

C. 1979 Work Schedule (c)

1. New 132# Welded Rail (including Surfacing)

1	113.4-115.1	1.7	9	Hudson	\$ 250,000
1	111.4-113.4	2.0	10	S. of Hudson	244,000
1	75.7- 95.1	19.4	98	Poughkeepsie-Barrytown	2,400,000
1	115.1-126.5	11.4	57	Hudson-CP126	1,440,000
2	111.3-113.4	2.1	12	S. of Hudson	265,000
2	75.7- 79.9	4.2	23	CP75 -Hyde Park	565,000
New #2	126.5-141.8	15.3	70	CP126-Rensselaer	1,836,000
				Sub-Total	\$ 7,000,000

2. Ties, including Surfacing

				Quantity		
2	81.0- 82.0	1.0	4	500	N. of Hyde Park	\$ 25,000
2	89.9- 94.3	4.4	10	2,200	CP89-CP94	100,000
2	101.0-113.2	12.2	30	6,100	Germantown	275,000
New #2	126.5-140.5	14.0	40	14,000	CP126-Rensselaer	500,000
					Sub-Total	\$ 900,000

3. Install Traffic Control System

1	89.5-126.5	37.0	CP89-CP126	\$ 750,000
2	94.4-126.5	32.1	CP94-CP126	650,000
			Sub-Total	\$ 1,400,000

4. Install High Speed Crossovers-Remote Controlled

CP 89	Rhinecliff	1	\$ 230,000
CP 94	Barrytown	1	230,000
CP 105	Germantown	2	370,000
CP 113	Hudson	2	370,000
CP 123	Stuyvesant	2	370,000
CP 1	Rensselaer	1	230,000
CP 6	Karner Road	1	230,000
CP 8	Carman	1	140,000
CP 9	Schenectady	2	370,000
CP 11	Hoffmans	2	370,000
	Sub-Total		\$ 2,910,000

5. 21 Switch Heaters for New Remote Crossovers

		\$ 126,000
1979 Sub-Total		\$12,336,000
WORK SCHEDULE TOTAL		\$34,040,000

Notes applicable to Appendix 1

C - probably done by contract.
S - single track.

- (a) - All work in this Appendix is to be completed in accordance with applicable Federal Railroad Administration Track Safety Standards and Federal Railroad Administration Rules, Standards and Instructions for Railroad Signal Systems. Track shall be rehabilitated to the indicated standard:

	<u>FRA Class</u>
MP 75.7 - MP 78.9	5
MP 78.9 - MP 87.7	6
MP 87.7 - MP 124.3	5
MP 124.3 - CP 1	6
CP 1 - CP 5	4
CP 5 - MP 148.3	5
MP 148.3 - MP 158.0	6
MP 158.0 - MP 161.4	4
MP 161.4 - MP 169.3	6
MP 169.3 - CP 11	4

- (b) - All work under the 1977 Work Schedule is programmed to be completed prior to March 31, 1978, except for the signal work.

- (c) - Assignment of priorities for work items shown in this schedule which are to be performed in work schedule calendar years subsequent to 1977 shall be mutually agreed upon by the parties and approved by the Commissioner prior to October 1 of the year preceding that in which the work is programmed.

EQUIPMENT SCHEDULE

EQUIPMENT

✓2 Spike Pullers ✓	3,890	7,980
✓1 Tie Cutter ✓	50,900	
✓1 Scarifier ✓	35,900	
✓1 Tie Destroyer ✓	107,800	42,600
C.O. 2 Tie Handlers ✓	41,300	
✓1 Tie Inserter ✓	35,700	
C.O. 1 16-Tool Tamper ✓	41,600	
C.O. 1 Rail Lifter ✓	4,400	
✓2 Tie Borers		93,400
C.O. 2 Auto Spikers ✓	46,700	101,200
✓2 Ballast Regulators ✓	53,850	
✓1 Production Tamper ✓	118,050	
C.O. 2 Bolt Machines ✓	4,910	9,820
✓1 Cross Slotter ✓	1,985	
✓1 Backhoe w/Trailer ✓	21,700	
C.O. 1 160 CFM Trailer Compressor ✓	8,550	
C.O. 6 10,000# Push Trucks ✓	720	4,320
5 Portable Radios	750	3,750

Estimated Cost

Bid Price

50,695.60 101,391.2

107,724.00

41,611.52

\$700,000

VEHICLES

✓2 Buses (371422) ✓	17,000	34,000
✓1 Fuel and Lube ✓	16,300	
C.O. 1 1-Ton Pickup ✓	5,350	
C.O. 1 Pickup ✓	6,000	
C.O. 1 Repair Van ✓	18,400	
✓1 Boom and Dump ✓	27,600	

Estimated Cost

Bid Price

16,850.10 33,955.4

16,301.96

5,346.00

5,905.00

18,409.00

27,580.00

\$120,000

EQUIPMENT SCHEDULE TOTAL

\$820,000 ✓

GRAND TOTAL OF CONTRACT \$34,860,000

MAXIMUM SPEEDS FOR PASSENGER TRAINS
AFTER COMPLETION OF APPENDIX 1 WORK SCHEDULE

<u>MP to MP</u>	<u>December 1976</u>	<u>Without Cab Signals</u>	<u>With Cab Signals</u>
75.7 - Hyde Park (78.9)	70	79	90
78.9 - 87.7	70	79	95
87.7 - Rhinecliff (89.2)	70	79	80
89.2 - 121.5	70	79	90
121.5 - 124.3	70	79	85
124.3 - 126.5	70	79	110
126.5 - 140.5	70	79	110
140.5 - CP 1	70	79	110
CP 1 - CP 2	15	30	30
CP 2 - CP 3	20	30	30
CP 3 - CP 4 Trk 2	25	30	30
CP 4 - 145.0 Trk 1	40	50	50
145.0 - CP 5	55	79	80
CP 5 - 148.3	70	79	90
148.3 - 158.0	70	79	110
158.0 - 160.2	--	60	60
160.2 - 161.4	--	79	80
161.4 - 169.3	--	79	110
169.3 - CP 11	--	79	80

Additional Curve Restrictions unless curves aligned to lengthen radii (See Appendix 1)

Curve at 76.6	70	79	80
Curves 92.6 - 93.1	70	79	80
Curves at 98.9 - 99.4	70	79	85
Curves at 104.4*	70	75	80
Germantown 104.4*	70	50	50
Curves at Hudson 114.2 - 114.8	45	75	80
Curve at 119.5	70	79	90
164.5 - 165.2*	--	79	90
165.2 - 165.6*	--	70	75

STANDARDS OF MAINTENANCE

PART A - TRACK AND SIGNALS

Upon completion of the work specified in Appendix 1 and thereafter for a period of eight (8) years from the end of the calendar year in which each segment of such work itemized in Appendix 1 is completed, the Railroad shall maintain the main tracks in each segment on Railroad's property in a condition that meets or exceeds all requirements of Federal Railroad Administration Track Safety Standards for the class of track designated in Appendix 1 for that segment and the signal system in each segment in accordance with Federal Railroad Administration Rules, Standards and Instructions for Railroad Signal Systems, provided that Amtrak, or successor of Amtrak, by agreement with Railroad shares the track and signal maintenance costs on the line of railroad between MP 75.7 (Poughkeepsie) and CP 11 (Hoffmans) based upon a facility usage formula to be set forth in a separate agreement between Railroad and Amtrak. In the absence of a separate maintenance agreement between Railroad and Amtrak for the maintenance of Railroad's track and other facilities used by Amtrak between MP 75.7 (Poughkeepsie) and CP 11 (Hoffmans), Railroad shall maintain the main tracks and signals at a level commensurate with Railroad's maintenance responsibilities set forth in other agreements with Amtrak.

Upon completion of aforesaid eight (8) year period, and for a period of at least thirty (30) years from the date of this Agreement, Railroad shall maintain the main tracks and signals on Railroad's property between MP 75.7 (Poughkeepsie) and CP 11 (Hoffmans) at a level which is the highest of the following:

- a) The level specified in a separate maintenance agreement between Railroad and Amtrak or the successor of Amtrak, whereby Amtrak agrees to share the track and signal maintenance costs based upon a facility usage formula to be set forth in said maintenance agreement.
- b) In the absence of a separate maintenance agreement between Railroad and Amtrak for the maintenance of Railroad's track and other facilities used by Amtrak between MP 75.7 (Poughkeepsie) and CP 11 (Hoffmans), Railroad shall maintain main tracks and signals either at a level commensurate with Railroad's maintenance responsibilities set forth in other agreements with Amtrak or at a level commensurate with facility usage, whichever is higher; provided, however, that in the event that passenger service is discontinued, Railroad shall only be required to maintain the main tracks and signals at a level commensurate with facility usage.

* — PART B - TRACK EQUIPMENT

All track equipment purchased under the terms of this agreement as listed in Appendix 2 shall be maintained by Railroad in good operating order, repair, and condition.

SPECIAL PROVISIONS

- * 1. During such times as the track equipment purchased under the terms of this Agreement as listed in Appendix 2 is not required for use by Railroad for the purpose of accomplishing the track work specified in Appendix 1 of this Agreement or for the purposes of accomplishing track work pursuant to any future agreement between Railroad and State or for any other track programs undertaken by Railroad in New York State, Railroad agrees to make said equipment available for the accomplishment of track work on other rail lines in New York State at the direction of the Commissioner. This provision is effective for a period not to exceed the useful life of the equipment commencing upon the date of receipt of said equipment by Railroad.
- * 2. Relayer rail and other reusable track and roadbed materials released from Railroad property as a result of the work specified in Appendix 1 of this Agreement, or equivalent amounts thereof, with the approval of the Commissioner shall be programmed for installation in other tracks of Railroad in New York State. State programs shall take precedence in the use of such materials over programs undertaken by Railroad.
3. Performance of work on Amtrak's property is contingent upon Railroad securing Amtrak's permission to enter and use Amtrak's property for the purpose of accomplishing that portion of the work specified in Appendix 1 which is on Amtrak's property. State will use its best efforts to assist Railroad in obtaining said permission from Amtrak.
4. Railroad shall seek Amtrak's authorization to reuse on Railroad's lines in New York State with the approval of the Commissioner relayer rail and other reusable track and roadbed materials released from Amtrak's property as a result of the work specified in Appendix 1 of this Agreement.
5. All schematic plans and estimates associated with the signal system work included in Appendix 1 of this Agreement shall be submitted to the Commissioner for review and approval before construction work begins.
6. All track and signal work on Amtrak's property between Carman (CP 8) and Hoffmans (CP 11) pursuant to this Agreement shall be completed to allow operation of passenger trains over the segment no later than October 29, 1978.
7. The cab signal system to be installed pursuant to Appendix 1 of this Agreement shall be compatible with the cab signal system programmed for installation on the Metropolitan Transportation Authority's Hudson Division. The cab signal work specified in Appendix 1 of this Agreement shall be completed no later than December 31, 1979.

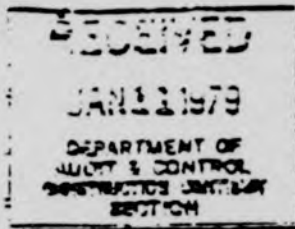
SPECIAL PROVISIONS

8. Reductions in scheduled running times over each segment resulting from the "without cab signals" speed increases for each segment specified below shall become effective on the date of the first timetable issuance subsequent to the completion of the track work in said segment. Reductions in scheduled running times over each segment resulting from the "with cab signals" speed increases for each segment specified below shall become effective on the date of the first timetable issuance subsequent to the completion of the cab signal installation in said segments.

MINIMUM RUNNING TIMES EXCLUSIVE OF STATION STOPS

	<u>Segment</u>	<u>December 1976</u>	<u>Without Cab Signals</u>	<u>With Cab Signals</u>
10/77 82-10	Poughkeepsie to Rensselaer	64 mins.	58 mins.	50 mins.
	Rensselaer to Hoffmans via South Schenectady	42 mins.	--	--
	Rensselaer to Hoffmans via Downtown Schenectady	30 mins. (1969)	27 mins.	24 mins.

Modifications to these speeds and running times shall not be made except in accordance with the results of a Computer Train Performance Simulation acceptable to both Commissioner and Railroad.



D138840

RADISSON YARD
LYSANDER, NY
PIN 3935.16.301

This Agreement dated as of April 10, 1978, by and between the people of the State of New York (hereinafter referred to as State) acting by and through the Commissioner of Transportation and the Department of Transportation (hereinafter referred to as Commissioner and Department, respectively) with offices in the Administration and Engineering Building, State Campus, Albany, New York; 12232, and the Consolidated Rail Corporation (hereinafter referred to as Railroad), authorized to do business in New York State, with its main offices at Six Penn Center Plaza, Philadelphia, Pa. 19104.

W I T N E S S E T H

WHEREAS, Section 14-d of the Transportation Law authorizes the Commissioner to enter into contracts with any railroad company for the purpose of improving rail transportation service thereon; and

WHEREAS, the Commissioner and the Railroad desire to provide for the improvement of certain rail transportation facilities of Railroad located within the State; -----

NOW, THEREFORE, the parties hereto, in consideration of the mutual promises, conditions, terms and obligations herein set forth, do agree and covenant as follows:

ARTICLE ONE

DEFINITIONS

"Commissioner" means the Commissioner of Transportation of the State of New York or his duly authorized representative.

"Department" means the New York State Department of Transportation, its successors and assigns.

"Railroad" means the Consolidated Rail Corporation, its successors and assigns.

"Project" means the acquisition, construction, reconstruction, establishment, improvement, rehabilitation or modernization of rail facilities conducted pursuant to this Agreement.

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"State" means the People of the State of New York acting by and through the Commissioner.

"Project Facilities" means all materials, equipment, facilities or supplies acquired, constructed, reconstructed, established, improved or rehabilitated by or on behalf of Railroad pursuant to the provisions of this Agreement for the purpose of or in connection with accomplishing the work set forth in the Work Schedule (Appendix 1).

"Agreement" means this document and any attachments hereto referred to herein.

"Project Site" means any property owned or leased by or otherwise made available to Railroad for use in connection with the Project.

"Project Costs" means eligible costs as defined by 23 CFR Part 140 Sub-I for accomplishing the work set forth in the Work Schedule (Appendix 1).

"Revenue Car" means any railroad car producing gross road-haul revenue to the Railroad in excess of \$350.00, which originates or terminates outside local switching limits and is tendered to or received from the Railroad by any shipper located at the Radisson Industrial Park.

ARTICLE TWO

CAPITAL IMPROVEMENTS

Section 2.1. Description of Work.

Railroad agrees to provide for the accomplishment of the work described in the Work Schedule (Appendix 1) in a sound, economical and efficient manner and in accordance with plans and specifications approved by the Commissioner in accordance with the Special Provisions. Any monetary amounts which may be specified in said Work Schedule for particular items of work are estimates and the transfer of amounts between line items is permitted as necessary, subject to the prior written approval of the Commissioner.

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Any time limits for the accomplishment of work which may be set forth in said Work Schedule may be extended by the Commissioner as he deems necessary, and any such extension or modification will not be unreasonably withheld.

Section 2.2. Performance of Work.

Railroad agrees to undertake and to proceed expeditiously with the work to be accomplished as specified in the Work Schedule (Appendix 1) of this Agreement and to make reasonable efforts to complete said work within the time limits specified therein.

Section 2.3. Maintenance.

Railroad agrees to maintain, at its own expense, the Project Facilities in good order and repair and in accordance with the Commissioner's standards as specified in the attached Maintenance Schedule (Appendix 2), for the periods of time specified in said Maintenance Schedule, commencing at the completion of work described in Appendix 1. Railroad further agrees to maintain, at its own expense, its ancillary facilities within the geographical limits of the Project Facilities useful or necessary for providing rail transportation services to the Project Facilities in accordance with applicable standards of the Federal Railroad Administration.

Section 2.4. Reimbursement.

State agrees to reimburse Railroad for Project Costs, up to a maximum of Two Million Seven Hundred Thousand Dollars (\$2,700,000), less the cost of land purchased for the Project Site, which Railroad incurs for work performed, as described in the attached Work Schedule, including the cost of preliminary and construction engineering, as well as for facilities provided by Railroad under this Agreement in connection with said work, pursuant to 23 CFR Part 140 Sub-I, and amendments thereto, it being intended by the parties hereto that by reference to said 23 CFR Part 140 Sub-I, and amendments thereto, it is agreed that the provisions thereof are deemed to be included herein and are accepted as binding upon the parties to the same extent and with the same force and effect as if said 23 CFR Part 140 Sub-I, and amendments thereto, had been set forth in and made a part of this Agreement. Provided, however, that State shall not be obligated to pay nor shall Railroad claim reimbursement for the use of facilities or equipment acquired by Railroad in whole or in part with funds provided by State under

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this or any other agreement. Rental charges for Railroad-owned equipment or facilities shall not be eligible for reimbursement hereunder when State-financed equipment or facilities acceptable to the Railroad are made available without cost to Railroad for the work to be accomplished at the time and place required. Railroad shall submit to State fair and reasonable charges for the cost of the work performed, or facilities and equipment provided, by Railroad, less the value of any Railroad-owned materials recovered, as evidenced by detailed invoices acceptable to Commissioner. State shall reimburse Railroad in the amount of the approved Project Costs so submitted. All costs so submitted by Railroad shall be subject to approval by Commissioner and to audit by the Commissioner or the State Comptroller. Reimbursement therefor by State to Railroad will be made in monthly progress payments covering the Project Costs incurred by Railroad during the preceding month in accordance with approved certificates showing the cost of the work so performed or facilities provided. Upon the satisfactory completion of all work a final statement of Project Costs shall be submitted to State within one hundred eighty (180) days. The final reimbursement payment to Railroad shall be made within thirty (30) days from the submission of the final statement, subject to final audit.

Section 2.5. Manner of Performing Work.

The work specified in the Work Schedule (Appendix 1) may be performed by the employment of Railroad's manpower and equipment or by approved contract, provided, however, that State may elect with Railroad's approval to perform any such work with its own forces and equipment.

Section 2.6. Inspection.

During the term of this Agreement, the Commissioner shall have the right to enter upon the Project Site for the purposes of inspecting and examining the condition of any Project Facility and/or reviewing any activities conducted pursuant to or in connection with this Agreement. Such right shall be exercised only at reasonable times and upon prior notice to Railroad.

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Section 2.7. Liability for Loss or Damage.

During the term of this Agreement, Railroad hereby assumes and shall bear the entire risk of loss and damage, from any and every cause whatsoever, to the Project Facilities. No loss or damage to any Project Facility, or any part thereof, shall impair any obligation of Railroad under this Agreement which shall continue in full force and effect.

In the event of loss or damage to any Project Facility during the term of this Agreement, ordinary wear and tear excepted, Railroad at its option shall: (a) Place the same in good repair, condition and working order; or (b) Replace the same with like facilities in good repair, condition and working order at the Project Site. The provisions of this Section 2.7 are subject to the provisions of Section 3.5 and Appendix 2.

Section 2.8 Use of Project Facilities.

Railroad shall use the Project Facilities in a careful and proper manner and shall comply with and conform to all Federal, State and Local laws, ordinances, rules and regulations applicable to the possession, use or maintenance thereof, except during any period that Railroad formally and in good faith contests their validity or applicability. During the term of Railroad's obligations under this Agreement, Project Facilities for which reimbursement is made by the State to or on behalf of the Railroad shall not be sold, removed from the Project Site, disposed of or rendered unusable without the express written consent of the Commissioner first having been obtained and any conditions attached to such consent having been performed.

ARTICLE THREE

MISCELLANEOUS

Section 3.1. Indemnity.

(a) Railroad agrees to indemnify and save harmless State from any and all liability for injury to or death of any person or persons and for loss of, damage to, or destruction of any property or equipment which arises from activities conducted by or on behalf of Railroad pursuant to this Agreement, except when attributable to the fault or negligence of the State or its agents, employees, or contractors other than the Railroad.

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(b) In case suit shall at any time be brought against State asserting a liability against which Railroad agrees to indemnify and save harmless State, Railroad shall, at its own cost and expense and without any cost or expense whatever to State, defend such suit and indemnify and save harmless State against all costs and expenses thereof and promptly pay or cause to be paid any final judgment recovered against State; provided, however, that State shall promptly upon the bringing of any such suit against it give notice to Railroad and thereafter provide all such information as may from time to time be requested. State shall furnish to Railroad all such information relating to claims made for injuries, deaths, losses, damage, or destruction of the type covered by this Section as Railroad may from time to time request.

Section 3.2. Assignment.

Railroad agrees that it will not assign this Agreement or any interest herein without first obtaining Commissioner's written consent thereto.

Section 3.3. Non-Waiver.

No covenant or condition of this Agreement can be waived except by the written consent of the party against whom waiver is claimed. Forbearance or indulgence by a party in any regard whatsoever shall not constitute a waiver of the covenant or condition to be performed by the other party, and, until complete performance by the other party of said covenant or condition, a party shall be entitled to invoke any remedy available to it under this Agreement at law or in equity despite said forbearance or indulgence.

Section 3.4. Entire Agreement.

This instrument and the attachments hereto identified herein constitute the entire agreement between State and Railroad, and it shall not be amended, altered, or changed except by a written agreement signed by the parties hereto.

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Section 3.5. Force Majeure.

The obligations of the parties hereunder shall be subject to force majeure (which shall include strikes, riots, floods, accidents, acts of God, fire, lockouts, epidemics, insurrections, acts of public enemies, and other causes or circumstances beyond the control of the party claiming such force majeure as an excuse for nonperformance), but only as long as, and to the extent that, such force majeure shall prevent performance of such obligations, except that no party shall be required to settle any strike, lockout or industrial disturbance by acceding to the demands of the opposition.

Section 3.6. Successors and Assigns.

All the covenants and obligations of the parties hereunder shall bind their successors and assigns whether or not expressly assumed by such successors and assigns.

Section 3.7. Interpretation.

The Article and Section headings utilized in this Agreement are for convenience only and shall not affect the construction hereof. This Agreement shall be construed in accordance with and governed by the laws of the State of New York. All Appendices attached hereto are integral parts of this Agreement and the provisions set forth in the Appendices shall bind the parties hereto to the same extent as if such provisions had been set forth in their entirety in the main body of this Agreement. Nothing expressed or implied herein shall give or be construed to give to any person, firm or corporation other than State or Railroad any legal or equitable right, remedy or claim under or in respect of this Agreement. Neither this Agreement nor any of the terms hereof may be terminated, amended, supplemented, waived or modified orally, but only by an instrument in writing signed by Commissioner and Railroad unless a provision hereof expressly permits either of said parties to effect termination, amendment, supplementation, waiver or modification hereunder, in which event such action shall be taken in accordance with the terms of such provision.

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Section 3.8. Notices.

Any request, demand, authorization, direction, notice, consent, waiver, or other document provided for or permitted by this Agreement to be made upon, given or furnished to, or filed with one party by the other party, shall be in writing and shall be delivered by hand or by deposit in the mails of the United States, postage prepaid, if to Commissioner, in an envelope addressed as follows:

Commissioner of Transportation
State of New York
Department of Transportation
1220 Washington Avenue
State Campus
Albany, New York 12232

and if to Railroad, in an envelope addressed to the attention of:

General Manager, Northeastern Region
Consolidated Rail Corporation
54 Meadow Street
New Haven, Connecticut 06506

Each party may change the address at which it shall receive notification hereunder by notifying the other of such change.

Section 3.9. Counterparts.

This Agreement may be executed in any number of counterparts, each of which shall be an original.

Section 3.10. Relationship of Parties.

The relationship of the Railroad to the State is that of an independent contractor, and said Railroad, in accordance with its status as such contractor, covenants and agrees that it will conduct itself consistent with such status, that it will neither hold itself out as nor claim to be an officer or employee of the State by reason hereof, and that it will not, by reason hereof, make any claim, demand or application to or for any right or privilege applicable to an officer or employee of the State, including but not limited to workmen's compensation coverage, unemployment insurance benefits, social security coverage, or retirement membership or credit.

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Section 3.11. Records and Documents.

Railroad shall maintain books, records and supporting documents in connection with the work to be accomplished pursuant to this Agreement. All books, records, bills, vouchers, payrolls, invoices and other documents of every type and description pertaining to the work under this Agreement shall be available to the Commissioner and the State Comptroller, or their authorized representatives, for inspection and audit.

Section 3.12. Approval of Contracts.

Railroad shall not execute any contract, subcontract or amendment thereto, or obligate itself in any other manner with any third party relating to or with respect to the Project to be undertaken pursuant to this Agreement without the prior written approval of the Commissioner. This Section 3.12 shall apply only to contracts, subcontracts, amendments and obligations pursuant to which Railroad incurs costs or expenses which are to be paid for in whole or in part by the State pursuant to this Agreement, except as otherwise provided for herein.

Section 3.13. Effective Date of Agreement.

This Agreement shall take effect at the time at which it is approved by the State Comptroller. Railroad shall be notified at once in writing by the Commissioner of such approval.

Section 3.14. Executory Clause.

This contract shall be deemed executory only to the extent of money available to the State for the performance of the terms hereof and no liability on account thereof shall be incurred by the State of New York beyond moneys available for the purpose thereof.

Section 3.15. Documents Forming Agreement.

This Agreement shall consist of this document and the following attachments:

- Appendix 1 - Work Schedule
- Appendix 2 - Maintenance Schedule
- Appendix 3 - Special Provisions
- Appendix 4 - New York State Required Contract Provisions

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Section 3.16. Term of Agreement.

The term of this Agreement shall be thirty (30) years, commencing the effective date hereof.

Section 3.17. Acquisition by State.

In the event that any of the Project Facilities are transferred to or acquired by the State, no charge or claim attributable to the enhanced value of the facilities paid for in whole or in part by and not reimbursed to the State shall be made by the Railroad.

CONSOLIDATED RAIL CORPORATION

PEOPLE OF THE STATE OF NEW YORK

BY

J. A. Hagen

BY

W. H. Thompson
Commissioner of Transportation

Approved:

JAN 5 - 1979

Attorney-General

ATTORNEY GENERAL

Approved:

Donald P. Thompson

For the Comptroller Pursuant to
Section 112, State Finance Law

COMMONWEALTH OF PENNSYLVANIA)
COUNTY OF PHILADELPHIA) SS

On this 21st day of NOVEMBER, 1978,
before me personally came J. A. HAGEN
to me known and known to me to be the SR. V. P. MARKETING & SALES
of the Consolidated Rail Corporation described in and
which executed the foregoing instrument, and he
acknowledged to me that he executed the same.

Alfonso J. DiGregorio
Notary Public

ALFONSO J. DIGREGORIO
Notary Public, Philadelphia, Philadelphia Co.
My Commission Expires August 7, 1980

APPENDIX 1
Page 1 of 2

WORK SCHEDULE
CLASSIFICATION YARD
LYSANDER, NEW YORK

Purchase and install materials estimated below, required for construction of an industrial rail yard to serve Radisson Industrial Park, in accordance with plans, specifications and estimates which shall have been approved by the Commissioner.

\$ 551,240

1. GRADING

Clear and grub 22.3 acres; unclassified excavation 154,700 cubic yards; place 13,700 cubic yards of sub-ballast; seed 15,600 square yards.

34,302

2. DRAINAGE

Purchase and install 192 lineal feet of 30 inch CCM pipe; 6-30 inch CCM end sections; 237 lineal feet of 48 inch CCM pipe; 7 metal risers with gratings; and 2 concrete headwalls; 2 CCM pipe reducers; 1-24 inch end section.

21,391

3. ROADWAY AND PARKING AREA

Construct 2,100 square yards of 4 inch bituminous base course and 2 inch wearing surface.

84,000

4. BUILDING

Construct a 1 story, 20 feet by 50 feet. concrete block yard office, including sanitary, lighting, oil heat and air conditioning.

47,800

5. MECHANICAL AND ELECTRICAL

Power distribution and yard lighting, well and water distribution, sanitary system.

WORK SCHEDULE

6.	TRACK WORK	\$1,156,121
	Purchase and install the following:	
	19 119# No. 8 turnouts	
	1 119# No. 10 turnout	
	3,075 LF 115# track (including rail, new ties	
	15,360 LF 105# track (and 6 inch ballast)	
	6 Pair 115#/119# compromise joints	
	4,102 LF - remove track	
	1,200 LF - acquire existing track between	
	Sixty Road and Schlitz	
	170 LF 119# new track	
7.	COMMUNICATIONS AND SIGNALS	35,340
	Provide necessary communication and	
	signal facilities	
8.	GRADE CROSSING IMPROVEMENTS	
	Improvements to be provided	
	by an FHWA program	
9.	ENGINEERING	154,626
10.	CONTINGENCIES	190,904
11.	TOTAL COST	<u>\$2,275,724</u>

Railroad will proceed expeditiously with the work under this Agreement and will make reasonable efforts to complete said work by December 31, 1979.

APPENDIX 2

MAINTENANCE SCHEDULE

For purposes of this Agreement, the Commissioner's standards of maintenance applicable to the Project Facilities, as referred to in Section 2.3 of this Agreement, shall be the same as Federal Railroad Administration (FRA) standards for such facilities. In the absence of appropriate FRA standards, the Commissioner's standards shall be the same as the maintenance specifications recommended by the manufacturer of such facilities, or maintenance procedures and practices commonly accepted in the railroad industry for the same or similar facilities, whichever standard is higher.

The standards of maintenance set out above shall be applicable to the Project Facilities for a period of ten (10) years commencing at the time of completion of the Project. Thereafter, for the remainder of the term of this Agreement, Railroad shall continue to maintain the Property Facilities in such condition as is commensurate with the usage thereof.

Railroad, at no expense to the State, shall obtain such rights of entry or real property interests as are necessary for Railroad at all times to carry out its maintenance obligations under this Agreement.

APPENDIX 3
Page 1 of 3

SPECIAL PROVISIONS

1. Commencing the date of completion of the Project Facilities and continuing for a period of ten years, Railroad agrees to reimburse State annually by April 1 of the following year at a rate of \$15 for each Revenue Car handled during the preceding calendar year in excess of the first 400 Revenue Cars handled during such year, and Railroad shall pay to the State, by April 1 of the following year, such amounts which Railroad shall collect from shippers for falling short of such guaranteed number of cars described in sub-paragraph 2c of this Appendix 3. The total of all reimbursements, excluding "Excess Payments" as described below in sub-paragraph 2.b.(ii) of this Appendix 3, by Railroad under this Special Provision shall not be less than One Million Five Hundred Thousand Dollars (\$1,500,000). The aggregate of all reimbursements to State by Railroad shall not exceed the total of all funds paid to Railroad by the State under this Agreement.

2. It is understood by the parties hereto that the Railroad has entered into or may enter into certain agreements with shippers which agreements will provide:

a. That the shippers guarantee to generate specific guaranteed levels of Revenue Car traffic per year at the Rail Marshalling Yard; and

b. That Railroad will make a specified reimbursement ("Excess Payment") to any such shipper for each Revenue Car generated by such a shipper in excess of a guaranteed number and a specified number of additional Revenue Cars during a ten year period.

Therefore, the Commissioner hereby acquiesces in the priority of all "Excess Payments" by the Railroad to such shippers based on such agreements, subject to the following conditions to which the Railroad hereby agrees:

(i) any "Excess Payments" by Railroad shall not count toward the satisfaction of Railroad's total payment obligation to State under Special Provision 1; and,

(ii) the total of all "Excess Payments" by Railroad during the ten year period hereinbefore specified shall not exceed the total amount which shippers are required to pay to Railroad for failure to generate guaranteed traffic during such ten year period; and,

(iii) any such agreements between Railroad and shippers shall be subject to the prior written approval of the Commissioner; and

APPENDIX 3
Page 2 of 3

SPECIAL PROVISIONS

c. That in the event that any shipper fails to generate a sufficient number of Revenue Cars in any year to meet such a guarantee, such shipper shall make a specified per-car payment to Railroad multiplied by the number of cars by which such shipper falls short of such guaranteed number.

3. Railroad may reimburse, with the expressed written approval of the Commissioner, any industry or corporation responsible for the construction of any other industrial lead or side track to Radisson Industrial Park for service of industry which may be located there. Reimbursement for such construction shall be determined by the number of Revenue Cars using the siding or lead at a reimbursement rate of \$15.00 per Revenue Car. The aggregate of all payments by Railroad shall not exceed the total costs of such construction and the financing thereof.

4. In the event that the State reimburses the Railroad for Project Costs in excess of the amount set forth in Section 3.14, the ten-year reimbursement period referred to in paragraph 1 of this Appendix 3 shall be extended for such time as shall be required to recover such excess costs at the rate of \$15 per Revenue Car. No such excess costs shall be eligible for reimbursement by the State to the Railroad unless a supplemental agreement providing therefor has been entered into between the State and Railroad.

5. State shall, at no expense to Railroad, acquire that property required for construction of the Project Facilities. The State will thereupon provide the Railroad with a right of entry and grant the Railroad an easement in the Project Site for construction and operation of the Project Facilities for the term of this Agreement.

6. Notwithstanding any other provision of this Agreement, or of any provision, term, or condition incorporated herein by reference, no expenditure or work by the Railroad for any capital construction or component thereof listed in Work Schedule (Appendix 1) shall be eligible for reimbursement under this Agreement unless and until final plans, specifications and estimates for said capital construction have received the expressed written approval of the Commissioner.

7. During the term of this Agreement, Railroad will make payments in each tax year to each real property taxing authority within which the Project Site is situate, in such amounts as are equal to the real property tax liability which the Railroad would have incurred had it been the owner of record of the Project Site for real property tax purposes for such tax year.

SPECIAL PROVISIONS

8. At the expiration of the term of this Agreement, the State shall convey good and marketable title, free and clear of all liens, charges and encumbrances in and to (a) the Project Site and (b) the Project Facilities, if the State has any right, title or interest therein, to the Railroad for no additional consideration.

9. State is holding \$500,000 in the project account to allow for payment of the property required for construction of the Project Facilities. Upon firm determination of the cost of such property, State and Railroad will execute a supplemental agreement to conform to the provisions of Section 2.4 of the Agreement.

10. On or before April 1 of each year during the first ten years following completion of the Project Facilities, the Railroad shall certify to the Commissioner the amounts paid as Revenue Car payments to all recipients of such payments during the preceding year. Such certifications shall be in writing and shall be in such form as the Commissioner may prescribe.

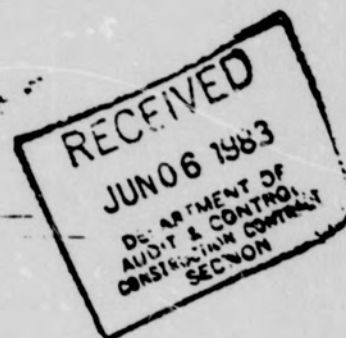
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STATE OF NEW YORK
DEPARTMENT OF TRANSPORTATION

WILLIAM C. HENNESSY, COMMISSIONER

- RAIL DIVISION COPY -



SUPPLEMENTAL #1 0139943

AGREEMENT

PIN 3935.16
CONRAIL'S RADISSON YARD
LYSANDER, ONONDAGA CTY.

D139943
SUPPLEMENTAL AGREEMENT #1

Radisson Yard
Lysander, NY
PIN 3935.16

This Supplemental Agreement dated as of March 17, 1983, by and between the People of the State of New York (hereinafter referred to as State) acting by and through the Commissioner of Transportation and the Department of Transportation (hereinafter referred to as Commissioner and Department, respectively) with offices in the Administration and Engineering Building, State Campus, Albany, New York 12232. and Consolidated Rail Corporation (hereinafter referred to as Railroad), authorized to do business in New York State, with its main offices at Six Penn Center Plaza, Philadelphia, Pennsylvania 19104.

W I T N E S S E T H :

WHEREAS, State and Railroad entered into an agreement dated April 10, 1978, Comptroller's Contract No. D139943 (hereinafter referred to as the 1978 Agreement) in order to improve rail transportation services to the citizens of the State; and

WHEREAS, State and Railroad desire to amend and alter the 1978 Agreement.

NOW THEREFORE, the parties hereto, in consideration of the mutual promises, conditions, terms and obligations herein contained, agree and covenant as follows:

1. Section 2.4, Reimbursement, of the 1978 Agreement between the State and Railroad is hereby deleted and replaced by the following:

Section 2.4. Reimbursement.

State will reimburse Railroad for Project Costs up to a maximum of Two Million Three Hundred Eighty Seven Thousand Dollars (\$2,387,000) which Railroad incurs for work performed, as described in the attached Work Schedule, including the cost of preliminary and construction engineering, as well as for facilities provided by Railroad under this Agreement in connection with said work, pursuant to 23 CFR Part 140 Sub-I, and amendments thereto, it being intended by the parties hereto that by reference to said 23 CFR Part 140 Sub-I, and amendments thereto it is agreed that the provisions thereof are deemed to be included herein and are accepted as binding upon the parties to the same extent and with the same force and effect as if said 23 CFR Part 140 Sub-I, and amendments thereto, had been set forth in and made a part of this Agreement; provided, however, that State shall not be obligated to pay nor shall Railroad claim

reimbursement for the use of facilities or equipment acquired by Railroad in whole or in part with funds provided by State under this or any other agreement. Rental charges for Railroad-owned equipment or facilities shall not be eligible for reimbursement hereunder when State-financed equipment or facilities acceptable to the Railroad are made available without cost to Railroad for the work to be accomplished at the time and place required. Railroad shall submit to State fair and reasonable charges for the cost of the work performed, or facilities and equipment provided, by Railroad, less the value of any Railroad-owned materials recovered, as evidenced by detailed invoices acceptable to Commissioner. State shall reimburse Railroad in the amount of the approved Project Costs so submitted. All costs so submitted by Railroad shall be subject to approval by Commissioner and to audit by the Commissioner or the State Comptroller. Reimbursement therefor by State to Railroad will be made in monthly progress payments covering the Project Costs incurred by Railroad during the preceding month in accordance with approved certificates showing the cost of the work so performed or facilities provided. Upon the satisfactory completion of all work a final statement of Project Costs shall be submitted to State within one hundred eighty (180) days. The final reimbursement payment to Railroad shall be made within

thirty (30) days from the submission of the final statement, subject to final audit.

2. Section 3.4, Executory Clause, of the 1978 Agreement is hereby deleted.

3. Appendix-1, Work Schedule, of the 1978 Agreement is hereby deleted and replaced with the revised Appendix 1 attached hereto.

4. Paragraph 9 of Appendix 3 of the 1978 Agreement is hereby deleted.

5. All other provisions of the 1978 Agreement and any supplemental agreement thereto shall remain in full force and effect and shall continue to bind the parties to the extent not inconsistent herewith.

IN WITNESS WHEREOF, the State and Railroad, through
their duly authorized representatives, have executed this
Agreement the day and year first above written.

CONSOLIDATED RAIL CORPORATION

PEOPLE OF THE STATE
OF NEW YORK

By *J. A. Hagen*

Sr. Vice President Marketing & Sales

Title _____

James J. Vanover

Title _____

Commissioner of
Transportation

APPROVED AS TO FORM
NEW YORK STATE
ATTORNEY GENERAL

JUN 3 - 1983
STEVEN H. SCHWARTZ
Attorney

Steven H. Schwartz

Approved Date: _____

Attorney General

Approved Date: JUL 06 1983

James J. Vanover

For the Comptroller,
Pursuant to Section 112,
State Finance Law

COMMONWEALTH OF PENNSYLVANIA
COUNTY OF PHILADELPHIA

On this 21st day of April, 1963, before
me personally came James A. Hagen to me known
and known to me to be the Sr. Vice President,
Marketing & Sales of Consolidated
Rail Corporation described in and which executed the foregoing
instrument, and he acknowledged to me that he executed the
same.

Mary M. McCourt

MARY M. MCCOURT
Notary Public, Philadelphia, Phila. County
My Commission Expires March 21, 1967

APPENDIX I
Page 1 of 2

SUPPORT YARD TO SERVE RADISSON INDUSTRIAL PARK
LYSANDER, NEW YORK

MODIFIED WORK SCHEDULE

SEPTEMBER 9, 1981

1.	Grading (by contractor)		\$ 1,192,978.91
	Clear and grub	- 22.64 acres	
	Unclassified Excavation	- 144,347 C.Y.	
	Subballast	- 24,896 C.Y.	
	Seeding	- 3,541 S.Y.	
	Stone Slope Protection	- 6,468 C.Y.	
	Filter Fabric	- 68,666 S.Y.	
2.	Drainage (by contractor)		50,703.95
	30" Diameter A.C.C.M. Pipe	- 192 L.F.	
	48" Diameter A.C.C.M. Pipe	- 237 L.F.	
	24" Diameter A.C.C.M. Pipe End Section	- 1 ea.	
	30" Diameter A.C.C.M. Pipe End Section	- 6 ea.	
	30" Diameter Metal End	- 1 ea.	
	18" Diameter A.C.C.M. Pipe Risers	- 7 ea.	
	30" - 24" A.C.C.M. Pipe Reducer	- 5 L.F.	
	48" - 30" A.C.C.M. Pipe Reducer	- 6 L.F.	
	Concrete Headwall	- 1 ea.	
	Drainage Structure	- 1 ea.	
	Trench & Culvert Excavation	- 355 C.Y.	
3.	Roadway (by contractor)		18,542.46
	Stone Pavement	- 5,878 S.Y.	
	Walkways	- 687 S.Y.	
4.	Trackwork (by contractor)		948,135.60
	Remove Track	- 3,800 L.F.	
	Pre-Ballast (4" depth)	- 2,735.61 C.Y.	
	Lay Track - 130 lb. flat rail, 6" ties	- 11,963.0 L.F.	
	Lay Track - 119 lb. new rail, 6" ties	- 180.0 L.F.	
	Lay Track - 130 lb. flat rail, 7" ties	- 2,364.0 L.F.	
	Install Turnout, No. 3, 119 lb. new	- 15 ea.	
	Install Timber Flangeway Road Crossing	- 1 ea.	
5.	Performance & Payment Bond (by contractor)		17,645.41
	TOTAL BY CONTRACTOR (Items 1 - 5)		\$ 2,223,206.33

APPENDIX I
Page 2 of 2

Radisson Industrial Park
Page Two

6.	Trackwork (by Conrail forces)	\$ 45,040.00
	Remove Track	- 105 L.F.
	Lay Track 127 lb. fit rail 7", ties	- 660 L.F.
	Install Turnout, No. 10, 119 lb. new	- 1 ea.
7.	Communications and Signals	-0-
	Flashers to be installed under separate highway program	
8.	Engineering	\$ 112,800.69
9.	TOTAL PROJECT COST	\$ 2,386,047.22



NEW YORK CENTRAL SYSTEM

The Water Level Route—You Can Sleep

Table 1.

NEW YORK AND BOSTON - ALBANY - BUFFALO - CLEVELAND - TOLEDO - CHICAGO

For additional freight only points between New York and Buffalo, see Table 19; Buffalo and Chicago (via Toledo) see Table 21.

Miles	April 25, 1905.																Through Train to Montreal, see Table C.															
	Empire State Express				Ogden		Ohio State Limited		Borwick		New England		Trenton		The Wilmette		The Wilmette		The Wilmette		The Wilmette		The Wilmette		The Wilmette		The Wilmette					
	95	51	209	39	15	65	27	25	17	57	19	201	21	61	35	59	45															
	Daily	Daily	Daily	Daily	Daily	Daily	Daily	Daily	Daily	Daily	Daily	Daily	Daily	Daily	Daily	Daily	Daily															
Live New York (E.D.T.)	A.M.	A.M.		P.M.	P.M.			P.M.	P.M.			P.M.	P.M.			P.M.	P.M.															
Grand Central Terminal	6:25	8:45		12:30	3:00	4:40		6:00	6:30	7:30	7:45		8:45	10:15	10:30	11:00	12:25															
1st St. Street	6:25	8:45		12:30	3:00	4:40		6:00	6:30	7:30	7:45		8:45	10:15	10:30	11:00	12:25															
Live Yonkers	6:25	8:45		12:30	3:00	4:40		6:00	6:30	7:30	7:45		8:45	10:15	10:30	11:00	12:25															
Live Croton-Harmon	6:25	8:45		12:30	3:00	4:40		6:00	6:30	7:30	7:45		8:45	10:15	10:30	11:00	12:25															
Live Peekskill	6:25	8:45		12:30	3:00	4:40		6:00	6:30	7:30	7:45		8:45	10:15	10:30	11:00	12:25															
Live Beacon (Newburgh)	6:25	8:45		12:30	3:00	4:40		6:00	6:30	7:30	7:45		8:45	10:15	10:30	11:00	12:25															
Live Poughkeepsie	6:25	8:45		12:30	3:00	4:40		6:00	6:30	7:30	7:45		8:45	10:15	10:30	11:00	12:25															
Live Rhinecliff	6:25	8:45		12:30	3:00	4:40		6:00	6:30	7:30	7:45		8:45	10:15	10:30	11:00	12:25															
Live Germantown	6:25	8:45		12:30	3:00	4:40		6:00	6:30	7:30	7:45		8:45	10:15	10:30	11:00	12:25															
Live Hudson	6:25	8:45		12:30	3:00	4:40		6:00	6:30	7:30	7:45		8:45	10:15	10:30	11:00	12:25															
Live Newton Hook	6:25	8:45		12:30	3:00	4:40		6:00	6:30	7:30	7:45		8:45	10:15	10:30	11:00	12:25															
Live Stuyvesant	6:25	8:45		12:30	3:00	4:40		6:00	6:30	7:30	7:45		8:45	10:15	10:30	11:00	12:25															
Live Schuylkill Landing	6:25	8:45		12:30	3:00	4:40		6:00	6:30	7:30	7:45		8:45	10:15	10:30	11:00	12:25															
Live Castleton-on-Hudson	6:25	8:45		12:30	3:00	4:40		6:00	6:30	7:30	7:45		8:45	10:15	10:30	11:00	12:25															
Arr. Albany (E.D.T.)	9:55	11:40		3:45	5:55	7:45		9:30	10:35	10:50		12:15	1:15	1:45	2:52	4:00																
Troy	+	+		+	+	+	+	+	+	+	+	+	+	+	+	+	+															

EXPLANATION OF SIGNS.

• Stops on signal to discharge passengers from Cleveland and beyond; † stops Friday only to discharge passengers; ‡ stops regularly but not to receive passengers; † stops regularly but only to discharge passengers; ‡ stops on signal to receive passengers for Albany and beyond; ‡ stops on signal to receive passengers; † stops Sunday only. • Stops on signal to discharge passengers; ‡ stops on signal to receive passengers for Buffalo and beyond; ‡ stops on signal to receive passengers for Detroit and beyond. • Will handle checked baggage Buffalo to Chicago only. • Trains do not carry checked baggage from this station subject to delay. Please consult agent. † Stops on signal to discharge passengers from Toledo and beyond, or to receive passengers for Chicago and beyond. • Heeler Hotel Boston and Albany. • No facilities for handling baggage at this station. Baggage should be checked to nearest station where facilities are available. † Stops on signal to receive passengers for points beyond Albany. • Buses of the United Fruit Co. run at frequent intervals between Troy and Albany. • Daily, except Sunday and holiday bus service between Beacon (adjacent to railroad station) and Newburgh. Fare and ticket rates not accepted on bus.

• Coupon stations. C. D. T. - Central. † Daylight Saving time. E. D. T. - Eastern Standard time. E. S. T. - Eastern Standard time.

For Sleeping Car, SLEEPERCOACH, Coach and Dining Car Service, see pages 90-92.

NEW YORK CENTRAL SYSTEM

The Water Level Route — You Can Sleep



Table 2.
CHICAGO-TOLEDO-CLEVELAND-BUFFALO-ALBANY-BOSTON AND NEW YORK.

June, 1945														
Metrol Limited	New York Special	Pitts Avenue Limited	Ohio State Limited	The Windsor	New England Station	Historic Hedges	The Pioneer	Twentieth Century Limited	The Grays	The Chicagos	Kingpin State Express			
46 St. Sun.	354-6 Rt. Sat.	6 Daily	16 Daily	8 Daily	28 Daily	54 Daily	2 Daily	26 Daily	40 Daily	90 Daily	222 Daily	50 Daily	96 Daily	
Lve. Chicago (C.S.T.)	9:00	9:35	12:30	3:00	3:00	3:30	3:30	9:25	11:45					
Lve. Chicago (C.D.T.)	A.M.	A.M.	P.M.	P.M.	P.M.	P.M.	P.M.	P.M.	P.M.	P.M.	P.M.			
Lve. Englewood	10:00	10:35	1:30	4:00	4:00	4:30	4:30	10:25	12:45					
Lve. Gary (N. Y. C. Station)	10:14	10:49	1:44	4:14	4:14	4:44	4:44	10:51	12:51					
Lve. La Porte (C.D.T.)	10:40	11:10		4:32	4:32	5:03	5:03	10:51	12:51					
Lve. South Bend (E.S.T.)		11:45		5:02	5:02	11:30	11:30	11:30	13:30					
Lve. Elkhart		12:15		5:25	5:25	15:53	15:53	12:05	14:05					
Lve. Kendallville		12:45		5:58	5:58	16:20	16:20	12:30	14:30					
Lve. Waterloo				6:48	6:48									
Lve. Bryan				7:58	7:58									
Arr. Toledo	2:45			7:58	7:58									
Lve. Toledo	3:00			7:58	7:58	18:10								
Lve. Port Clinton (La. Carrol)	3:40													
Lve. Sandusky (E.S.T.)	3:55													
Lve. Elmhurst (E.S.T.)	5:30													
Arr. Cleveland (N. Term.)	6:18	P.M.		10:50	10:50									
Lve. Cleveland (N. Term.)	6:38	9:27		11:05	11:05									
Lve. Painesville	7:31													
Lve. Ashtabula	8:08													
Lve. Erie	8:43													
Lve. Westfield	9:23													
Lve. Dunkirk	9:43													
Arr. Buffalo (Cent. Term.)	10:15	10:36	12:34	2:18	2:18			A.M.	11:30	3:25	P.M.	P.M.		
Lve. Buffalo (Cent. Term.)	11:08	11:08	12:54	4:34	4:34	8:25	11:40	P.M.	1:45	2:09				
Arr. Batavia						8:50								
Arr. Rochester	12:08	12:08	2:00	5:34	5:34	9:30	12:40		2:45	3:09				
Arr. Newark														
Arr. Syracuse	1:43	1:43	3:30	6:50	6:50	10:55	2:08		3:43					
Lve. Syracuse	1:58	1:58	3:30	7:05	7:05	11:02	2:18		4:47					
Arr. Rome				7:48	7:48	11:32			5:18					
Arr. Utica	2:40	2:40	4:10	7:53	7:53	11:48	2:00		4:54	5:31				
Arr. Amsterdam				9:01	9:01	12:58			6:41					
Arr. Schenectady				9:48	9:48	1:15	4:17		6:03	6:58				
Arr. Albany (E.D.T.)	4:00	4:00	5:35	9:10	9:10	1:50	4:50		6:35	7:35				
Troy														
Lve. Albany (E.D.T.)				28	54	2		26	40	90	50	96		
Arr. Chatham				7:35										
Arr. Pittsfield				8:10										
Arr. Springfield				9:51										
Arr. Palmer														
Arr. Worcester				11:06										
Arr. Framingham				11:47										
Arr. Newtonville				12:13										
Back Bay South Station				12:35										
Arr. Boston (E.D.T.)				P.M.										
Lve. Albany (E.D.T.)	4:25	4:31	4:53	6:05				2:00	5:17		6:45	8:10		
Arr. Schenectady														
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The Water Level Route—You Can Sleep

Table 4.
NEW YORK-BUFFALO-HAMILTON-TORONTO.
(Via N. Y. C. System and Canada and
Gray Coach Lines.)

◆51	<i>April 25, 1905.</i>	◆50
Daily		Daily
A M	Ive. + New York (E.D.T.)..... ATT.	P M
6 45	Grand Central Terminal.....	9 35
AQ12	Ive. + Yonkers.....arr.	10 05
AQ35	Ive. + Croton Harmon.....arr.	10 36
12 40	Ive. + Albany..... ATT.	6 35
4 45	+ Buffalo (Cent. Term.) (E.D.T.)..... ATT.	1 45
P M	ARRIVE LEAVE	P M
Bus. Bus.	Busses leave Buffalo from Greyhound Bus Station, 672 Main St. Railroad tickets accepted on bus.	(Bus. Bus.)
Daily Daily		Daily Daily
P M P M	[LEAVE].....[ARRIVE]	A M A M
6 40 7 30	Buffalo (E.D.T.).....	10 45 10 45
art. 10 00	Hamilton.....Ive.	8 50
9 15 P M	Toronto (E.D.T.).....	8 00 A M
P M	ARRIVE.....[LEAVE].....	

Table 5.
NEW YORK-PLATTSBURG-MONTREAL.
(Via Delaware & Hudson R.R. with connections
for Ottawa, Quebec.)

The Montreal Limited		The Montreal Limited		The Montreal Limited	
61	51	50	46	6	6
Daily	Daily	Daily	Daily	Daily	Daily
10:15	8:45	9:35	7:30	9:00	9:00
10:36	9:06	10:36	8:30	10:00	10:00
11:15	9:45	11:15	9:00	10:45	10:45
12:34	10:54	12:34	10:00	11:45	11:45
12:56	11:16	12:56	10:20	12:00	12:00
1:21	11:41	1:21	10:45	12:25	12:25
1:57	12:17	1:57	11:10	12:50	12:50
2:42	13:02	2:42	11:55	1:35	1:35
3:53	14:13	3:53	13:06	2:46	2:46
4:27	14:47	4:27	13:40	3:20	3:20
5:45	16:05	5:45	15:00	4:38	4:38
6:10	16:30	6:10	15:25	5:03	5:03
7:38	18:00	7:38	17:00	6:31	6:31
8:50	19:12	8:50	18:12	7:43	7:43
10:15	20:37	10:15	19:37	9:08	9:08
11:39	22:01	11:39	21:01	10:32	10:32
12:56	23:18	12:56	22:18	11:49	11:49
1:21	23:43	1:21	22:43	12:14	12:14
1:57	24:19	1:57	23:19	12:50	12:50
2:42	25:04	2:42	24:04	1:35	1:35
3:53	26:15	3:53	25:15	2:46	2:46
4:27	26:49	4:27	25:49	3:20	3:20
5:45	28:07	5:45	27:07	4:38	4:38
6:10	28:32	6:10	27:32	5:03	5:03
7:38	29:59	7:38	29:00	6:31	6:31
8:50	31:11	8:50	30:12	7:43	7:43
10:15	32:36	10:15	31:36	9:08	9:08
11:39	34:00	11:39	33:00	10:32	10:32
12:56	35:17	12:56	34:17	11:49	11:49
1:21	35:42	1:21	34:42	12:14	12:14
1:57	36:18	1:57	35:18	12:50	12:50
2:42	37:03	2:42	36:03	1:35	1:35
3:53	38:14	3:53	37:14	2:46	2:46
4:27	38:48	4:27	37:48	3:20	3:20
5:45	40:06	5:45	39:06	4:38	4:38
6:10	40:31	6:10	39:31	5:03	5:03
7:38	41:58	7:38	40:58	6:31	6:31
8:50	43:10	8:50	42:10	7:43	7:43
10:15	44:35	10:15	43:35	9:08	9:08
11:39	46:00	11:39	45:00	10:32	10:32
12:56	47:17	12:56	46:17	11:49	11:49
1:21	47:42	1:21	46:42	12:14	12:14
1:57	48:18	1:57	47:18	12:50	12:50
2:42	49:03	2:42	48:03	1:35	1:35
3:53	50:14	3:53	49:14	2:46	2:46
4:27	50:48	4:27	49:48	3:20	3:20
5:45	52:06	5:45	51:06	4:38	4:38
6:10	52:31	6:10	51:31	5:03	5:03
7:38	53:58	7:38	52:58	6:31	6:31
8:50	55:10	8:50	54:10	7:43	7:43
10:15	56:35	10:15	55:35	9:08	9:08
11:39	58:00	11:39	57:00	10:32	10:32
12:56	59:17	12:56	58:17	11:49	11:49
1:21	59:42	1:21	58:42	12:14	12:14
1:57	60:18	1:57	59:18	12:50	12:50
2:42	61:03	2:42	60:03	1:35	1:35

+ Coupon stations.
C.D.T.—Central "Daylight Saving" time.
C.S.T.—Central Standard time.
E.D.T.—Eastern "Daylight Saving" time.
E.S.T.—Eastern Standard time.
☛ Rail-Auto Service available at this point.

For number of table upon which each station is located, see General Index of Stations in back part of Guide:

- * Daily.
- † Daily, except Sunday.
- ‡ Daily, except Saturday.
- § Sunday only.
- ▲ Stops on signal to receive or discharge passengers.
- △ Stops on signal to discharge passengers from beyond St. Thomas, or to receive revenue passengers for Windsor and beyond.
- Stops on signal to discharge passengers from Detroit and beyond, or to receive passengers for Chicago and beyond.
- ◆ Stops on signal to receive or discharge passengers for or from Niles and beyond.
- ▲ Stops regularly, but only to receive passengers.
- Stops regularly, but only to discharge passengers.
- ◆ Saturday only.

- ▲ Stops to receive or discharge passengers for or from Rouens Point and beyond, or to receive or discharge passengers for or from Albany and beyond.
- ▲ Stops Sunday only.
- ▲ Daily, except Sunday, by connecting train.
- ▲ Daily, by connecting train.
- ▲ Stops on signal to receive passengers for Detroit or beyond.
- ▲ Stops on signal to receive passengers.
- Stops on signal to receive passengers for points beyond Albany.
- ▲ No facilities for handling baggage at this station; baggage should be checked to or from nearest station where facilities are available.
- ◆ This train does not carry checked baggage.
- ◆ Frequent bus service between Beacon (adjacent to railroad station) and Newburgh. No service Sundays or holidays. Fare 45 cents. Railroad tickets not accepted on bus.

For Sleeping Car, SLEEPERCOACH, Coach and Dining Car Service, see pages 90-92.

CHICAGO

Lve. Chica
 Lve. Chica
 Lve. Engin
 Lve. Gary
 Lve. Mich
 Lve. Niles
 Lve. Down
 Lve. Decat
 Lve. Lawte
 Lve. Kalam
 Lve. Battie
 Lve. Albion
 Lve. Jacks
 Lve. Ann A
 Lve. Ypsil
 Arr. Detro
 Lve. Detro
 Lve. Wilm
 Lve. Ridg
 Lve. St. L
 Lve. Water
 Lve. Tyliso
 Lve. Weils
 Lve. Fort
 Arr. Buffa

Lve. **Buffal**
 Genl
 Arr. **Bata**
 Arr. **Koche**
 Arr. **Newar**
 Arr. **Syrac**
 Lve. **Syrac**
 Arr. **Rome**
 Arr. **Utica**
 Arr. **Amster**
 Arr. **Schen**
 Arr. **Alban**

Live Albany
 Arr. London
 Arr. Pittsburg
 Arr. Springfield
 Arr. Fairmont
 Arr. Worcester
 Arr. Framingham
 Arr. Newbury
 Back
 South

Arr. Boston
Lve Albany
Arr. Hudson
Arr. Rhine-
Arr. Pough-
Arr. Beacon
Arr. Peek-
Arr. Croton
Arr. Yonkers
1954
Grand
Arr. New Yo

► Frequent Newburgh. Tickets not available.
► Fort Erie Railroad.
► No facilities checked to be

For

NEW YORK CENTRAL SYSTEM

The Water Level Route—You Can Sleep



Table 6.
CHICAGO AND DETROIT-BUFFALO-ALBANY-NEW YORK-BOSTON.

	354	354	8	356	366	368	50	376
	Daily	Daily	Daily	Daily	Sat only	Sat only	Daily	Daily
Lve. Chicago (C.S.T.)	9:00	12:30	4:15	10:59	12:40			
Lve. Chicago (C.D.T.)	9:00	12:30	4:15	10:59	12:40			
La Salle Street Sta.	10:00	1:30	5:15	11:59	1:40			
Lve. Englewood	10:14	1:44	5:29	12:13	1:54			
Lve. Gary (N.Y.C. Station)	10:40	2:10	5:55	12:39	2:20			
Lve. Michigan City (C.D.T.)	11:10	2:40	6:25	1:09	2:50			
Lve. Niles (E.S.T.)	12:02	3:13	6:58	1:47	3:40			
Lve. Dowagiac	12:14	3:25	7:10	2:02	3:54			
Lve. Decatur	12:25	3:36	7:21	2:13	4:05			
Lve. Lawton	12:55	4:06	7:51	2:43	4:35			
Lve. Kalamazoo	1:25	4:36	8:21	3:13	4:65			
Lve. Battle Creek	1:50	5:01	8:46	3:38	4:55			
Lve. Albion	2:20	5:31	9:16	4:08	5:25			
Lve. Jackson	3:05	6:16	9:51	4:43	6:05			
Lve. Ann Arbor	3:35	6:46	10:21	5:13	6:35			
Lve. Ypsilanti	4:00	7:11	10:46	5:38	6:55			
Arr. Detroit (E.S.T.)	4:40	7:51	11:16	6:18	7:35			
Lve. Detroit (E.S.T.)	4:50	8:01	11:26	6:28	7:45			
Lve. Windsor (E.D.T.)	5:10	8:21	11:46	6:48	8:05			
Lve. Ridgeway (E.D.T.)	5:30	8:41	12:06	7:08	8:25			
Lve. St. Thomas	5:50	9:01	12:26	7:28	8:45			
Lve. Watford	6:10	9:21	12:46	7:48	9:05			
Lve. Tiltonville	6:30	9:41	13:06	8:08	9:25			
Lve. Welland	6:50	10:01	13:26	8:28	9:45			
Lve. Fort Erie	7:10	10:21	13:46	8:48	10:05			
Central Term. +	7:30	10:41	14:06	9:08	10:25			
Arr. Buffalo (E.D.T.)	7:50	11:01	14:26	9:28	10:45			
Lve. Buffalo (E.D.T.)	8:10	11:21	14:46	9:48	11:05			
Central Terminal	8:30	11:41	15:06	10:08	11:25			
Arr. Albany	8:50	12:01	15:26	10:28	11:45			
Arr. Schenectady	9:10	12:21	15:46	10:48	12:05			
Arr. Syracuse	9:30	12:41	16:06	11:08	12:25			
Arr. Utica	9:50	13:01	16:26	11:28	12:45			
Arr. Amsterdam	10:10	13:21	16:46	11:48	13:05			
Arr. Chatham	10:30	13:41	17:06	12:08	13:25			
Arr. Pittsford	10:50	14:01	17:26	12:28	13:45			
Arr. Springfield	11:10	14:21	17:46	12:48	14:05			
Arr. Fairport	11:30	14:41	18:06	13:08	14:25			
Arr. Worcester	11:50	15:01	18:26	13:28	14:45			
Arr. Framingham	12:10	15:21	18:46	13:48	15:05			
Arr. New Haven	12:30	15:41	19:06	14:08	15:25			
Arr. Boston (E.D.T.)	12:50	16:01	19:26	14:28	15:45			
Lve. Albany	4:55	8:05	12:35	17:55	16:05			
Arr. Hudson	5:15	8:25	12:55	18:15	16:25			
Arr. Rhinecliff	5:35	8:45	13:15	18:35	16:45			
Arr. Poughkeepsie	5:55	9:05	13:35	18:55	17:05			
Arr. Beacon (Newburgh)	6:15	9:25	13:55	19:15	17:25			
Arr. Peekskill	6:35	9:45	14:15	19:35	17:45			
Arr. Croton-Harmon	6:55	10:05	14:35	19:55	18:05			
Arr. Yonkers	7:15	10:25	14:55	20:15	18:25			
15th Street	7:35	10:45	15:15	20:35	18:45			
Grand Cent. Term.	7:55	11:05	15:35	20:55	19:05			
Arr. New York (E.D.T.)	8:15	11:25	15:55	21:15	19:25			

† Frequent bus service between Beacon (adjacent to railroad station) and Newburgh. No service Sundays or holidays. Fare 45 cents. Railroad tickets not accepted on bus.

‡ Fort Erie to Niagara Falls, Ont. Bus service leaves from Fort Erie Railroad Station at 9:55 p.m., 9:05 a.m. and 1:15 p.m. Fare 85 cents.

▲ No facilities for handling baggage at this station. Baggage should be checked to or from nearest station where facilities are available.

+ Coupon stations.

C.D.T.—Central "Daylight Saving" time.

C.S.T.—Central Standard time.

E.D.T.—Eastern "Daylight Saving" time.

E.S.T.—Eastern Standard time.

☛ Rail-Auto Service available at this point.

For Sleeping Car, SLEEPERCOACH, Coach and Dining Car Service, see pages 90-92.

For number of table upon which each station is located, see General Index of Stations in back part of Guide.

Table 7.
BETWEEN NEW YORK-BOSTON-TORONTO.

27-371	457-371	19-371	376-376
Daily	Sat	Sat	Daily
April 25, 1965.			
LEAVE (E.D.T.)		ARRIVE	
New York		Buffalo	
7 30	7 45	8 45	
Grand Central Terminal		Central Terminal	
+ Yonkers		+ Yonkers	
8 21	8 25	8 45	
+ Croton Harmon		+ Croton Harmon	
9 19	9 29	9 50	
+ Poughkeepsie		+ Poughkeepsie	
10 35	10 50	5 45	
+ Albany		+ Albany	
P.M. ARRIVE		LEAVE A.M.	
27			28
LEAVE (E.D.T.)		ARRIVE	
Boston		Buffalo	
+ South Station		+ South Station	
3 15		12 35	
3 21		12 13	
+ Back Bay		+ Back Bay	
4 24		11 46	
+ Worcester		+ Worcester	
5 35		9 40	
+ Springfield		+ Springfield	
6 45		8 36	
+ Pittsfield		+ Pittsfield	
7 55		7 35	
P.M. ARRIVE		LEAVE A.M.	
27	457	19	16 28
LEAVE (E.D.T.)		ARRIVE	
Albany		Buffalo	
8 05	11 05	5 35	
8 31	11 31	5 00	
+ Schenectady		+ Schenectady	
9 46	12 55	5 33	
+ Utica		+ Utica	
10 47	1 50	4 50	
+ Syracuse		+ Syracuse	
11 59	—	—	
+ Rochester		+ Rochester	
12 42	4 40	3 34	
+ Buffalo (E.D.T.)		+ Buffalo (E.D.T.)	
(Central Terminal)		(Central Terminal)	
371	371	371	376 376
(T.H. & B.C.P. Railways)			
LEAVE (E.D.T.)		ARRIVE	
Buffalo		Buffalo	
5 30	5 30	11 55	
Central Terminal		Central Terminal	
6 25	6 25	10 35	
Weiland		Weiland	
7 25	7 25	9 25	
Hamilton		Hamilton	
8 40	8 40	8 05	
Toronto (E.D.T.)		Toronto (E.D.T.)	
(Union Station)		(Union Station)	



NEW YORK CENTRAL SYSTEM

The Water Level Route—You Can Sleep

Table 8.

NEW YORK and BOSTON-COLUMBUS-DAYTON-CINCINNATI

May, 1905.		51	405-39	15	May, 1905.		16	16	306
		Daily	Daily	Daily			Daily	Daily	Daily
Lve. New York (E.D.T.)		A.M.	P.M.		Lve. Cincinnati (E.S.T.)		P.M.	P.M.	P.M.
Grand Central Terminal		8:45	3:00		Union Terminal		2:30	2:30	10:00
126th Street		ABIS			Lve. Winton Place		2:40	2:40	10:10
Lve. Croton-Harmon		Aug 31	7:26		Lve. Middletown		3:20	3:20	10:58
Lve. Peekskill		Aug 31	7:50		Lve. Dayton		3:52	3:52	11:44
Lve. Beacon (Newburgh)					Lve. Springfield		4:27	4:27	12:12
Lve. Poughkeepsie			7:42		Att. Columbus		5:17	5:17	1:30
Lve. Rhinecliff					Lve. Columbus		5:25	5:25	1:50
Lve. Hudson			5:55		Lve. Delaware		6:26	6:26	2:33
Att. Albany		11:30			Lve. Galien		6:26	6:26	3:12
					Lve. Crestline		6:46	6:46	3:36
					Lve. Shelby (E.S.T.)		8:15	8:15	
					Lve. Wellington		9:10	9:10	6:35
					Att. Cleveland (E.D.T.)		9:10	9:10	6:35
					Union Terminal				
							16:18	2	90
							Daily	Daily	Daily
							P.M.	P.M.	P.M.
							9:27 11:06	11:06	7:45
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EXPLANATION OF SIGNS.

- Stops Sunday and May 31, July 5 and September 6.
- Stops Saturdays, Sundays and May 31, July 5 and September 6.
- Regular stop daily, except Saturday only.
- Stops regularly, but only to receive passengers.
- Stops regularly, but only to discharge passengers.
- Stops on signal to receive passengers.
- Stops on signal to receive or discharge passengers for or from Buffalo and beyond.
- ◆ This train does not carry checked baggage.

- ▲ No facilities for handling baggage at this station; baggage should be checked to or from nearest station where facilities are available.
 ▲ Daily, except Sunday and holidays, bus service between Beacon (adjacent to railroad station) and Newburgh. Fare 45 cents. Railroad tickets not accepted on bus.
 ▲ Coupon stations.
 E. D. T. - Eastern "Daylight Saving" time.
 E. S. T. - Eastern Standard time.
 🚗 Rail-Auto Service available at this point.

For Sleeping Car, SLEEPERCOACH, Coach and Dining Car Service, see pages 80-92.

For number of table upon which each station is located, see General Index of Stations in back part of Guide.

Schedules shown on this page are in terms of "LOCAL TIME" (standard or daylight) as observed

NEW YORK CENTRAL SYSTEM

The Water Level Route—You Can Sleep



Table 9.
NEW YORK and BOSTON-INDIANAPOLIS-ST. LOUIS

Miles	June, 1905	51 Daily	405- 39 Daily	15 Daily	June, 1905.	312 Daily	312 Daily	316 Daily
Lve New York (<i>E.D.T.</i>)—	A.M.		P.M.		Lve St. Louis (<i>C.S.T.</i>)	9 35	9 35	
Grand Central Terminal.....	8 45		3 00		Lve St. Louis (<i>C.D.T.</i>)—	A.M.	A.M.	
12A Street ▲.....	8 48				Union Station	10 35	10 35	
14 Lve Yonkers	+ 8 54		13 26		Lve Panna ▲.....	—	—	
32 Lve Croton-Harmon	+ 9 35		4 35		Lve Mattoon	12 28	12 28	
40 Lve Peekskill	+				Lve Paris (<i>C.D.T.</i>)	51 03	51 03	
58 Lve Beacon (Newburgh))	+				Lve Terre Haute (<i>E.S.T.</i>)	1 28	1 28	
72 Lve Poughkeepsie	+		4 42		Arr Grand Rapids	92 03	92 03	
85 Lve Rhinecliff	+				Arr Indianapolis (<i>E.A.T.</i>)	3 08	3 08	
117 Lve Hudson	+				Lve Indianapolis (<i>E.S.T.</i>)	3 15	3 15	
142 Arr Albany	11 30		5 55		Lve Anderson	4 02	4 02	
					Lve Minnie	4 25	4 25	
					Lve Winchester ▲.....	—	—	
					Lve Union City	5 50	5 50	
					Lve Sidney	5 55	5 55	
					Arr Bellefontaine ▲.....	6 00	6 00	
					Lve Bellefontaine ▲.....	6 05	6 05	
					Lve Marion	6 50	6 50	
					Lve Galion	7 10	7 10	
					Lve Shelby (<i>E.S.T.</i>)	—	—	
					Arr Cleveland (<i>E.D.T.</i>)	10 00	10 00	
					(Union Terminal)	P.M.	P.M.	
						28	28	2
					Daily Daily Daily			6
Lve Boston (<i>E.D.T.</i>)—	A.M.			P.M.	Lve Buffalo (<i>E.D.T.</i>)—	11 07	11 07	6 38
South Station	12 05				Union Terminal	P.F.M.	P.F.M.	P.M.
Back Bay	12 10				Arr Falmerville	—	—	7 33
Lve Newtonville	12 22				Arr Ashabula	—	—	8 08
Lve Framingham	12 41				Arr Erie	12 51	12 53	8 43
Lve Worcester	12 50				Arr Westfield	—	—	9 23
Lve Palmer	12 54				Arr Dunkirk	—	—	9 43
Lve Springfield	1 10				Arr Buffalo (<i>E.D.T.</i>)	2 18	2 18	10 36
Lve Pittsford	2 30				(Central Terminal)	A.M.	A.M.	P.M.
Lve Chatham	3 30					28	28	2
Arr Albany	3 50				Daily Daily Daily			6
						A.M.	A.M.	P.M.
Lve Albany	11 40		3 58	6 00	Lve Buffalo (<i>E.D.T.</i>)—	2 14	2 14	11 08
Lve Schenectady	12 07		4 22	6 34	Central Terminal	—	—	—
Lve Amsterdam	12 16		4 34	6 56	Arr Batavia	—	—	12 08
Lve Utica	1 22		5 47	8 02	Arr Rochester	—	—	—
Lve Rome	1 22		6 02	8 21	Arr Newark	—	—	—
Lve Syracuse	1 22		6 51	9 10	Arr Syracuse	4 50	4 50	1 43
Lve Oswego	—		—	—	Arr Rome	—	—	7 40
Lve Rochester	3 42		8 16	10 35	Arr Utica	5 37	5 37	7 50
Lve Batavia	—		8 52	—	Arr Amsterdam	—	—	9 01
Arr Buffalo (<i>E.D.T.</i>)—	4 45		9 30	11 40	Arr Schenectady	6 45	6 45	9 18
(Central Terminal)	P.M.		P.M.	P.M.	Arr Albany	7 15	7 15	9 50
						54	28	A.M.
					Daily Daily Daily			
Lve Buffalo (<i>E.D.T.</i>)—	5 11		15		Lve Albany	7 35	7 35	
Central Terminal	Daily		Daily		Arr Chatham ▲.....	—	—	
					Arr Pittsford	8 35	8 35	
Lve Buffalo (<i>E.D.T.</i>)—	5 20		15 59		Arr Springfield	9 50	9 50	
Central Terminal	6 05		—		Arr Palmer ▲.....	—	—	
Arr Dunkirk	6 27		—		Arr Worcester	—	—	
Arr Erie	7 02		—		Arr Framingham	11 40	11 40	
Arr Ashabula	7 55		—		Arr Batavia	11 50	11 50	
Arr Falmerville	—		—		Back Bay	12 13	12 13	
Arr Cleveland (<i>E.D.T.</i>)—	9 15		3 35		South Station	12 35	12 35	
(Union Terminal)	P.M.		A.M.		Arr Boston (<i>E.D.T.</i>)—	—	—	
Lve Cleveland (<i>E.D.T.</i>)—	315		341		Lve Albany	8 40	8 40	4 55
Union Terminal	Daily		Daily		Arr Dunkirk	—	—	—
					Arr Rhinecliff	8 40	8 40	—
620 Lve Union Terminal	10 15		4 30		Arr Poughkeepsie	9 08	9 08	—
660 Lve Erie	—		—		Arr Beacon (Newburgh))	9 45	9 45	—
690 Lve Galion	+ 10 38		4 47		Arr Peekskill	—	—	—
720 Lve Marion	+ 11 25		—		Arr Croton-Hudson	10 25	10 25	4 55
760 Lve Bellefontaine ▲.....	12 08		4 58		Arr Yonkers	10 53	10 53	4 55
780 Lve Bellefontaine ▲.....	12 15		6 05					
810 Lve Sidney	—		6 37					
818 Lve Union City ▲.....	—		6 50					
832 Lve Winchester ▲.....	—		6 50					
850 Lve Minnie	+ 1 41		7 44					
880 Lve Anderson	+ 3 00		9 00					
900 Lve Indianapolis (<i>E.S.T.</i>)	3 08		—					
900 Lve Indianapolis (<i>E.S.T.</i>)	A.M.		9 30					
940 Lve Greenacres	—		10 00					
975 Lve Terre Haute (<i>E.S.T.</i>)	—		10 25					
990 Lve Paris (<i>C.D.T.</i>)	—		10 55					
1010 Lve Mattoon	—		11 35					
1090 Lve Panna	—		—					
1150 Lve Union Station	—		2 15					
Arr St. Louis (<i>C.D.T.</i>)—	P.M.		—					
Arr St. Louis (<i>C.S.T.</i>)	1 15		—					

EXPLANATION OF SIGNS.

- Stops on signal to receive or discharge passengers Sunday and Monday mornings only.
 - Stops Sunday only to discharge passengers.
 - Stops regularly but only to receive passengers.
 - Stops regularly but only to discharge passengers.
 - Stops on signal to discharge passengers from Indianapolis and beyond.
 - Stops on signal to discharge passengers from Cleveland and beyond.
 - Stops to discharge passengers from St. Louis and receive passengers for Indianapolis and beyond.
 - Stops on signal to receive passengers.
 - Stops on signal daily to discharge passengers from Indianapolis and beyond or to receive passengers daily, except Sunday for St. Louis.
 - Stops on signal daily to discharge passengers, also stops on signal daily, except Sundays to receive passengers.
 - Frequent bus service between Beacon (adjacent to railroad station) and Newburgh. No service Sundays or holidays. Fare 45 cents. Railroad tickets not accepted on bus.
 - This train does not carry checked baggage.
 - No facilities for handling baggage at this station; baggage should be checked to or from nearest station where facilities are available.
 - Coupon stations.
 - C. D. T. — Central "Daylight Saving" time.
 - C. S. T. — Central Standard time.
 - E. D. T. — Eastern "Daylight Saving" time.
 - E. S. T. — Eastern Standard time.

For Sleeping Car, SLEEPERCOACH, Coach and Dining Car Service, see pages 90-92.



CHICAGO - INDIANAPOLIS - CINCINNATI - WASHINGTON - NORFOLK.
(Via Cincinnati and Chesapeake and Ohio Ry.)

No. 302	No. 304	No. 303	No. 305
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The James Whitcomb Riley.
All Coach Seats Reserved.

C. and O.	C. and O.
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N.Y.C. R.R. tickets reading for passengers between Detroit

EXPLANATION OF SIGNS.

†Dalle, except Sunday.

able to receive passengers for Lafayette and beyond.

^b All seats reserved and assigned in advance.

^cLinen service is provided at no additional charge to

f Stops on signal to receive or discharge passengers.

Limo service is provided at no additional charge

A Stops only to receive passengers.

7 Stops only to discharge passengers.

On Saturdays leave Toronto 11 00 p.m., arrive Montreal

▲ No facilities for handling baggage at this station. Baggage

● This train does not carry checked baggage.

+ Coupon stations.

C. D. T.—Central "Daylight Saving" time.

C. S. T.—Central Standard time.

E. D. T.—Eastern "Daylight Saving" time.

E. S. T.—Eastern Standard time.

 Rail-Auto Service available at this point.

For Sleeping Car, SLEEPERCOACH, Coach and

Table 12.

2FT.
IVE.
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AVE

New York

Chatham.

cbv col

4 Passeng.

Stop:

▲ Steps of

• **Stop:** on

For

Schedule figures on this page are Eastern "DAYLIGHT SAVING" time.

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NEW YORK CENTRAL SYSTEM

The Water Level Route—You Can Sleep



Eastern "Daylight Saving" time.

Table 14.

NEW YORK-PAWLING, MILLERTON-CHATHAM.

April 25, 1965.	Mile	905-973 Sat. only	907-973 Sat. and Sun.	909 Sun. only	915-975 Ex. Sat. and Sun.	915-975 Ex. Sat. only	921 Sat. only	923-977 Ex. Sat. only	933-979 Sat. only	935 Ex. Sat. and Sun.	943-981 Ex. Sat. and Sun.	951-985 Sat. only	953-983 Ex. Sat. and Sun.	955 Fri. only	961 Sun. only
New York	LEAVE	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Grand Central Terminal.....	6	A M	A M	A M	A M	A M	A M	A M	A M	A M	A M	A M	A M	A M	A M
125th Street.....	4	8:15	8:20	8:00	11:15	11:15	11:15	11:15	11:15	11:15	11:15	11:15	11:15	11:15	11:15
Mount Vernon.....	13	8:25	8:30	8:10	11:25	11:25	11:25	11:25	11:25	11:25	11:25	11:25	11:25	11:25	11:25
White Plains.....	22	8:35	8:40	8:20	11:35	11:35	11:35	11:35	11:35	11:35	11:35	11:35	11:35	11:35	11:35
Brewster.....	32	10:04	10:04	9:36	12:50	12:50	12:50	12:50	12:50	12:50	12:50	12:50	12:50	12:50	12:50
Dykeman's.....	55	10:04	10:04	9:36	12:50	12:50	12:50	12:50	12:50	12:50	12:50	12:50	12:50	12:50	12:50
Towner's.....	58	10:04	10:04	9:36	12:50	12:50	12:50	12:50	12:50	12:50	12:50	12:50	12:50	12:50	12:50
Patterson.....	60	10:04	10:04	9:36	12:50	12:50	12:50	12:50	12:50	12:50	12:50	12:50	12:50	12:50	12:50
Pawling.....	64	10:22	10:22	9:40	1:05	1:05	1:05	1:05	1:05	1:05	1:05	1:05	1:05	1:05	1:05
State Hospital.....	69	10:40	10:40	10:00	1:10	1:10	1:10	1:10	1:10	1:10	1:10	1:10	1:10	1:10	1:10
Wingdale.....	70	10:40	10:40	10:00	1:10	1:10	1:10	1:10	1:10	1:10	1:10	1:10	1:10	1:10	1:10
Dover Furnace.....	74	10:40	10:40	10:00	1:10	1:10	1:10	1:10	1:10	1:10	1:10	1:10	1:10	1:10	1:10
Dover Plains.....	77	10:40	10:40	10:00	1:10	1:10	1:10	1:10	1:10	1:10	1:10	1:10	1:10	1:10	1:10
State School.....	79	10:40	10:40	10:00	1:10	1:10	1:10	1:10	1:10	1:10	1:10	1:10	1:10	1:10	1:10
Wassaic.....	81	10:40	10:40	10:00	1:10	1:10	1:10	1:10	1:10	1:10	1:10	1:10	1:10	1:10	1:10
Amenia.....	84	10:40	10:40	10:00	1:10	1:10	1:10	1:10	1:10	1:10	1:10	1:10	1:10	1:10	1:10
Millerton.....	91	10:40	10:40	10:00	1:10	1:10	1:10	1:10	1:10	1:10	1:10	1:10	1:10	1:10	1:10
Copake Falls.....	108	10:40	10:40	10:00	1:10	1:10	1:10	1:10	1:10	1:10	1:10	1:10	1:10	1:10	1:10
Hillsdale.....	109	10:40	10:40	10:00	1:10	1:10	1:10	1:10	1:10	1:10	1:10	1:10	1:10	1:10	1:10
Crawville.....	112	10:40	10:40	10:00	1:10	1:10	1:10	1:10	1:10	1:10	1:10	1:10	1:10	1:10	1:10
Philmont.....	114	10:40	10:40	10:00	1:10	1:10	1:10	1:10	1:10	1:10	1:10	1:10	1:10	1:10	1:10
Chatham.....	127	10:40	10:40	10:00	1:10	1:10	1:10	1:10	1:10	1:10	1:10	1:10	1:10	1:10	1:10
Chatham	ARRIVE	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....

CHATHAM-MILLERTON, PAWLING-NEW YORK.

STATIONS.	973-904 Ex. Sun.	976-916 Ex. Sat. and Sun.	922-936 Ex. Sat. and Sun.	982-942 Ex. Sat. and Sun.	982-942 Ex. Sat. and Sun.	996-946 Ex. Sat. and Sun.	948 Sun. only	994-954 Ex. Sat. and Sun.	992-956 Ex. Sat. and Sun.	960 Sun. only	980-962 Ex. Sat. and Sun.	984-954 Ex. Sat. and Sun.	998-964 Ex. Sat. and Sun.
Chatham	LEAVE	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Philmont.....													
Crawville.....													
Hillsdale.....													
Copake Falls.....													
Millerton.....													
Wassaic.....													
Amenia.....													
State School.....													
Dover Plains.....													
Dover Furnace.....													
Wingdale.....													
State Hospital.....													
Pawling.....													
Patterson.....													
Towner's.....													
Dykeman's.....													
Brewster.....													
White Plains.....													
Mount Vernon.....													
125th Street.....													
Grand Central Terminal.....													
New York	ARRIVE	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....

EXPLANATION OF SIGNS.

△ By connecting "Beeline" service from Brewster. No checked baggage handled.

△ Passengers for beyond Brewster change trains at that point. No checked baggage handled.

△ Stops on signal to receive or discharge passengers.

△ Stops only to receive passengers.

△ Stops only to discharge passengers.

△ No facilities for handling baggage at this station. Baggage should be checked to or from nearest station where facilities are available.

△ Stops Saturdays only.

△ Does not carry checked baggage.

+ Coupon stations.

△ Rail-Auto Service available at this point.

For number of table upon which each station is located, see General Index of Stations in back part of Guide.



NEW YORK CENTRAL SYSTEM

The Water Level Route--You Can Sleep

Table 15.

BOSTON-WORCESTER-SPRINGFIELD-PITTSFIELD AND ALBANY.

Mile	April 25, 1935.	405	27	407	449	431	451	409
		Daily	Daily	Ex. Sat. and Sun.	Ex. Sat. and Sun.	Ex. Sat. and Sun.	Ex. Sat. and Sun.	Ex. Sat. and Sun.
Boston "Daylight Saving" (L.M.R.)								
[LEAVE]								
Boston	A.M.	P.M.	P.M.	P.M.	P.M.	P.M.	P.M.	P.M.
0 South Station	11 05	3 15	4 15	5 05	5 25	5 40	6 00	6 00
1 Back Bay	11 10	3 21	4 20	5 10	5 30	5 45	6 05	6 05
2 Newtonville	11 22	3 33	4 32	5 23	5 43	5 58	6 18	6 18
3 West Newton				5 31	5 51	6 06		
4 Riverside				5 35	5 55	6 10		
5 Wellesley Farms				5 39	5 59	6 14		
6 Wellesley Hills				5 43	6 03	6 18		
7 Wellesley				5 51	6 11	6 26		
8 Natick				6 00	6 20	6 35		
9 Framingham	11 41	3 50	4 48	5 51	6 11	6 26	6 33	6 33
10 Worcester	12 09	4 28	5 15	6 00	6 20	6 35	6 42	6 42
11 Springfield	12 10	4 29	5 16	6 01	6 21	6 36	6 43	6 43
12 Pittsfield	12 10	4 29	5 16	6 01	6 21	6 36	6 43	6 43
13 Chatham	12 10	4 29	5 16	6 01	6 21	6 36	6 43	6 43
14 Albany	12 10	4 29	5 16	6 01	6 21	6 36	6 43	6 43
[ARRIVE]								

ALBANY-PITTSFIELD-SPRINGFIELD-WORCESTER AND BOSTON.

STATIONS.	490	432	442	420	28	404
	Ex. Sat. and Sun.	Ex. Sat. and Sun.	Ex. Sat. and Sun.	Ex. Sat. and Sun.	Daily	Daily
[LEAVE]						
Albany					7 35	5 05
Chatham					7 35	5 05
Pittsfield					7 35	5 05
Springfield					7 35	5 05
Worcester					7 35	5 05
Framingham					7 35	5 05
Natick					7 35	5 05
Wellesley					7 35	5 05
Wellesley Hills					7 35	5 05
Wellesley Farms					7 35	5 05
Riverside					7 35	5 05
Auburndale					7 35	5 05
West Newton					7 35	5 05
Newtonville					7 35	5 05
Back Bay					7 35	5 05
South Station					7 35	5 05
Boston					7 35	5 05
[ARRIVE]						

Table 16.

BOSTON-WORCESTER-NEW YORK.
Via The Springfield Line.

Mile	April 25, 1935.	405	27
		Daily	Daily
[LEAVE]			
Boston	A.M.	P.M.	P.M.
0 South Station	11 05	3 15	4 15
1 Back Bay	11 10	3 21	4 20
2 Newtonville	11 22	3 33	4 32
3 West Newton			
4 Riverside			
5 Wellesley Farms			
6 Wellesley Hills			
7 Wellesley			
8 Natick			
9 Framingham	11 41	3 50	4 48
10 Worcester	12 09	4 28	5 15
11 Springfield	12 10	4 29	5 16
12 Pittsfield	12 10	4 29	5 16
13 Chatham	12 10	4 29	5 16
14 Albany	12 10	4 29	5 16
[ARRIVE]			

STATIONS.

(East "Daylight Saving" time)

(New Haven)

Live New York—

Grand Central Terminal

125th Street

Live Bridgeport

Live New Haven

Live Meriden

Live Berlin

Live Hartford

Arr. Springfield

(N.Y.C.R.R.)

(Change trains)

Live Springfield

Arr. Palmer

Arr. Worcester

Arr. Framingham

Arr. Newtonville

Arr. Back Bay

Arr. South Station

Arr. Boston

EXPLANATION OF SIGNS.

* Stops Sundays only, except will not stop June 6 to September 5, inclusive.

▲ Stops regularly, but only to receive passengers.

/ Stops only to discharge passengers.

) Also runs May 31, July 5 and September 6.

Will not run May 31, July 5 or September 6.

◆ This train does not carry checked baggage.

▲ No facilities for handling baggage at this station. Baggage should be checked to or from nearest station where facilities are available.

+ Coupon stations.

☞ Rail-Auto Service available at this point.

For Sleeping Car, SLEEPER COACH, Coach and Dining Car Service, see pages 86-92.

For number of table upon which each station is located, see General Index of Stations in back part of Guide.

NEW YORK CENTRAL SYSTEM

The Water Level Route—You Can Sleep



Frequent commutation service, including baggage service unless otherwise indicated, available between points listed on Tables 17 and 18 shown on this page. For complete service secure local commutation time table from New York Central Ticket Agent or write or phone Manager, Suburban Sales, 466 Lexington Avenue, New York, N.Y. 10017.

Table 17—NEW YORK-PEEKSKILL-POUGHKEEPSIE.

Mile	STATIONS.	Mile	STATIONS.
0	New York	0	Buffalo (Cent. Term.)
4	Grand Cent. Term.	14.5	Yonkers
4	125th Street	32.7	Croton Harmon
5	130th Street	40.0	Pekskill
7	High Bridge	58.1	Beacon (Newburgh)
8	Morris Heights	72.8	Poughkeepsie
9	University Heights	78.5	Hyde Park
10	Marble Hill	82.9	Staatsburg
11	Southern Boulevard	88.4	Rhinecliff
12	Riverdale	93.9	Barrytown
13	Mt. St. Vincent	98.2	Ivonne
14	Ludlow	105.1	North Germantown
15	Yonkers	113.7	Hudson
16	Greenwood	117.0	Stockport
17	Livingston	121.1	Newton Hook
18	Ardsley	123.5	Stuyvesant
19	Tarrytown	126.0	Schodack Landing
20	Palisades (No. Tarrytown)	133.5	Castleton-on-Hudson
21	Stamilton (Briarcliff Manor)	141.1	Rensselaer
22	Ussing	143.2	Albany
23	Croton-Harmon	148.4	Troy
24	Croton-Harmon	159.0	Schenectady
25	Croton (North Station)	174.0	Amsterdam
26	Ussing	185.5	Fond du Lac
27	Ussing	190.8	Vestal
28	Ussing	196.0	Palatine Br. (Catsburgh)
29	Ussing	200.0	Fort Plain
30	Ussing	205.0	St. Johnsville
31	Ussing	216.0	Little Falls
32	Ussing	224.0	Berkshire (Kawassa-lion)
33	Ussing	226.0	North Lion (Lion)
34	Ussing	235.0	Utica
35	Ussing	243.5	Oriskany
36	Ussing	250.4	Rome
37	Ussing	259.0	Verona
38	Ussing	263.5	Oneida
39	Ussing	266.3	Wampsville
40	Ussing	268.6	Canastota
41	Ussing	276.8	Kirkville
42	Ussing	281.4	Minoa
43	Ussing	284.7	East Syracuse
44	Ussing	287.5	Woodville
45	Ussing	301.5	Memphis
46	Ussing	306.0	Jonestown
47	Ussing	311.0	North Fort Byron
48	Ussing	314.4	Box Ridge
49	Ussing	317.8	Savannah
50	Ussing	321.4	Clyde
51	Ussing	327.0	Lyons
52	Ussing	334.0	Newark
53	Ussing	339.5	East Palmyra
54	Ussing	343.7	Palmyra
55	Ussing	347.0	Walworth
56	Ussing	350.8	North Macedon
57	Ussing	352.6	Waynesport
58	Ussing	355.0	Fairport
59	Ussing	360.1	East Rochester
60	Ussing	362.0	Rochester
61	Ussing	370.4	Cold Water
62	Ussing	380.0	Chili
63	Ussing	384.0	Churchville
64	Ussing	388.0	Bergen
65	Ussing	394.8	South Byron
66	Ussing	401.0	Babes
67	Ussing	413.5	Corfu
68	Ussing	418.1	Crittenden
69	Ussing	421.1	Wende
70	Ussing	435.4	Buffalo

Passenger and Freight Service. See Note above.

Table 18—NEW YORK-MOUNT VERNON-WHITE PLAINS-BREWSTER.

Mile	STATIONS.	Mile	STATIONS.
0	New York	0	Buffalo (Cent. Term.)
4	Grand Cent. Term.	14.5	Yonkers
4	125th Street	32.7	Croton Harmon
5	130th Street	40.0	Pekskill
7	High Bridge	58.1	Beacon (Newburgh)
8	Morris Heights	72.8	Poughkeepsie
9	University Heights	78.5	Hyde Park
10	Marble Hill	82.9	Staatsburg
11	Southern Boulevard	88.4	Rhinecliff
12	Riverdale	93.9	Barrytown
13	Mt. St. Vincent	98.2	Ivonne
14	Ludlow	105.1	North Germantown
15	Yonkers	113.7	Hudson
16	Greenwood	117.0	Stockport
17	Livingston	121.1	Newton Hook
18	Ardsley	123.5	Stuyvesant
19	Tarrytown	126.0	Schodack Landing
20	Palisades (No. Tarrytown)	133.5	Castleton-on-Hudson
21	Stamilton (Briarcliff Manor)	141.1	Rensselaer
22	Ussing	143.2	Albany
23	Croton-Harmon	148.4	Troy
24	Croton-Harmon	159.0	Schenectady
25	Croton (North Station)	174.0	Amsterdam
26	Ussing	185.5	Fond du Lac
27	Ussing	190.8	Vestal
28	Ussing	196.0	Palatine Br. (Catsburgh)
29	Ussing	200.0	Fort Plain
30	Ussing	205.0	St. Johnsville
31	Ussing	216.0	Little Falls
32	Ussing	224.0	Berkshire (Kawassa-lion)
33	Ussing	226.0	North Lion (Lion)
34	Ussing	235.0	Utica
35	Ussing	243.5	Oriskany
36	Ussing	250.4	Rome
37	Ussing	259.0	Verona
38	Ussing	263.5	Oneida
39	Ussing	266.3	Wampsville
40	Ussing	268.6	Canastota
41	Ussing	276.8	Kirkville
42	Ussing	281.4	Minoa
43	Ussing	284.7	East Syracuse
44	Ussing	287.5	Woodville
45	Ussing	301.5	Memphis
46	Ussing	306.0	Jonestown
47	Ussing	311.0	North Fort Byron
48	Ussing	314.4	Box Ridge
49	Ussing	317.8	Savannah
50	Ussing	321.4	Clyde
51	Ussing	327.0	Lyons
52	Ussing	334.0	Newark
53	Ussing	339.5	East Palmyra
54	Ussing	343.7	Palmyra
55	Ussing	347.0	Walworth
56	Ussing	350.8	North Macedon
57	Ussing	352.6	Waynesport
58	Ussing	355.0	Fairport
59	Ussing	360.1	East Rochester
60	Ussing	362.0	Rochester
61	Ussing	370.4	Cold Water
62	Ussing	380.0	Chili
63	Ussing	384.0	Churchville
64	Ussing	388.0	Bergen
65	Ussing	394.8	South Byron
66	Ussing	401.0	Babes
67	Ussing	413.5	Corfu
68	Ussing	418.1	Crittenden
69	Ussing	421.1	Wende
70	Ussing	435.4	Buffalo

Passenger and Freight Service. See Note above.

Table 19.
NEW YORK-ALBANY TO
UTICA-SYRACUSE-
ROCHESTER-BUFFALO.

Freight and Passenger Service. For Passenger Service, see Tables 1 and 2.

Table 20.
BUFFALO-DETROIT-CHICAGO.

Freight and Passenger Service. For Passenger Service, see Tables 3 and 6.

Mile	STATIONS.	Mile	STATIONS.
0	New York	0	Buffalo (Cent. Term.)
14.5	Yonkers	14.5	Black Rock
32.7	Croton Harmon	32.7	Fort Erie
40.0	Pekskill	40.0	Stevensville
58.1	Beacon (Newburgh)	58.1	Welland
72.8	Poughkeepsie	72.8	Perry
78.5	Hyde Park	78.5	Canfield Junction
82.9	Staatsburg	82.9	Edward
88.4	Rhinecliff	88.4	Cayuga
93.9	Barrytown	93.9	Lythmore
98.2	Ivonne	98.2	Hagersville
105.1	North Germantown	105.1	Waterford
113.7	Hudson	113.7	La Salette
117.0	Stockport	117.0	Tilsonburg
121.1	Newton Hook	121.1	Springfield
123.5	Stuyvesant	123.5	Avon
126.0	Schodack Landing	126.0	St. Thomas
133.5	Castleton-on-Hudson	133.5	Shelden
141.1	Rensselaer	141.1	Iona
143.2	Albany	143.2	Durton
148.4	Troy	148.4	West Lorne
159.0	Schenectady	159.0	Rodney
174.0	Amsterdam	174.0	Taylor
185.5	Fond du Lac	185.5	Murkirk
190.8	Vestal	190.8	Highgate
196.0	Palatine Br. (Catsburgh)	196.0	Ridgeway
200.0	Fort Plain	200.0	Mull
205.0	St. Johnsville	205.0	Fargo
216.0	Little Falls	216.0	Charing Cross
224.0	Berkshire (Kawassa-lion)	224.0	Fletcher
226.0	North Lion (Lion)	226.0	Tilbury
235.0	Utica	235.0	Combs
243.5	Oriskany	243.5	Kokomo
250.4	Rome	250.4	Woodville
259.0	Verona	259.0	Essex
263.5	Oneida	263.5	Madison
266.3	Wampsville	266.3	Windsor
268.6	Canastota	268.6	Detrol
276.8	Kirkville	276.8	Dearborn
281.4	Minoa	281.4	Wayne
284.7	East Syracuse	284.7	Ypsilanti
287.5	Woodville	287.5	Ann Arbor
301.5	Memphis	301.5	Dexter
306.0	Jonestown	306.0	Chelsea
311.0	North Fort Byron	311.0	Grass Lake
314.4	Box Ridge	314.4	Jackson
317.8	Savannah	317.8	Parma
321.4	Clyde	321.4	Albion
327.0	Lyons	327.0	Marshall
334.0	Newark	334.0	Battle Creek
339.5	East Palmyra	339.5	Augusta
343.7	Palmyra	343.7	Galesburg
347.0	Walworth	347.0	Comstock
350.8	North Macedon	350.8	Kalamazoo
352.6	Waynesport	352.6	Marion
355.0	Fairport	355.0	Lawton
360.1	East Rochester	360.1	Decatur
362.0	Rochester	362.0	Dowagiac
370.4	Cold Water	370.4	Niles
380.0	Chili	380.0	Buchanan
384.0	Churchville	384.0	Gallien
388.0	Bergen	388.0	Three Oaks
394.8	South Byron	394.8	New Buffalo
401.0	Babes	401.0	Michigan City
413.5	Corfu	413.5	Porter
418.1	Crittenden	418.1	East Gary
421.1	Wende	421.1	Gary (N. Y. C. Sts.)
435.4	Buffalo	435.4	Englewood
			Chicago

Frequent bus service available between New York - Albany - West Nyack - Nyack and Tarrytown. @ Holland Avenue platform is one-quarter mile south of White Plains, North Station. Tickets will not be sold nor will baggage be handled. ▲ No facilities for handling baggage at this station. Baggage should be checked to or from nearest station where facilities are available. ● Freight service only.

Note: — Remains may be checked to Valhalla, however advance notice must be given to Baggage Agent, Grand Central Terminal.

● Rail-Auto Service available at this point.

Schedule figures on this page are Eastern "DAYLIGHT SAVING" time.

THE DELAWARE AND HUDSON RAILROAD

corporation

Eastern "Daylight Saving" time.

Table I—SARATOGA AND CHAMPLAIN DIVISIONS.

April 25, 1945.	Mile	NYC 95	NYC 51 D & H 35	NYC 61 D & H 9
(N.Y.C.) (LEAVE)				
New York (Grand Central Terminal)	0	7:05 A.M.	8:45 A.M.	10:15 P.M.
New York (125th Street)	4.3	7:05 A.M.	8:45 A.M.	10:15 P.M.
Yonkers	14.5	7:05 A.M.	8:45 A.M.	10:15 P.M.
Croton-Harmon	32.7	7:05 A.M.	8:45 A.M.	10:15 P.M.
Beacon (out from Newburgh)	55.3	7:05 A.M.	8:45 A.M.	10:15 P.M.
Poughkeepsie	72.8	7:05 A.M.	8:45 A.M.	10:15 P.M.
Rhinecliff	88.4	7:05 A.M.	8:45 A.M.	10:15 P.M.
Hudson	113.7	7:05 A.M.	8:45 A.M.	10:15 P.M.
Albany	142.3	7:05 A.M.	8:45 A.M.	10:15 P.M.
(D. & H.) (LEAVE)				
Albany	0	10:45 A.M.	1:35 A.M.	
Watervliet (Troy)	6.1	10:45 A.M.	1:35 A.M.	
Mechanicville	10.0	10:45 A.M.	1:35 A.M.	
Saratoga Springs	17.5	10:45 A.M.	1:35 A.M.	
Fort Edward (out from Lake George)	55.5	10:45 A.M.	1:35 A.M.	
Comstock	70.8	10:45 A.M.	1:35 A.M.	
Whitehall (out from Lake George)	77.5	10:45 A.M.	1:35 A.M.	
Whitehall	77.5	10:45 A.M.	1:35 A.M.	
Fort Ticonderoga (out from Lake George)	106.5	10:45 A.M.	1:35 A.M.	
Fort Henry	116.7	10:45 A.M.	1:35 A.M.	
Westport (Lake Placid)	127.7	10:45 A.M.	1:35 A.M.	
Willboro	143.0	10:45 A.M.	1:35 A.M.	
Port Kent	154.4	10:45 A.M.	1:35 A.M.	
Plattsburgh	177.5	10:45 A.M.	1:35 A.M.	
Rouses Point (out from Lake George)	190.8	10:45 A.M.	1:35 A.M.	
Rouses Point (D. & H.) (LEAVE)				
(Naperville Junction Ry.)				
Lacolle		4:48 P.M.	6:41 A.M.	
Rapierville		4:59 P.M.	6:51 A.M.	
(Montreal West Ry.)				
Montreal		5:35 P.M.	7:35 A.M.	
(Windsor Station Ry.)				
Windsor Station		5:50 P.M.	7:50 A.M.	
(Connecting Trains via Can. Pac. Ry.)				
Quebec (Palais Station)		10:00 P.M.	1:50 P.M.	
Ottawa (Union Station)		11:45 P.M.	10:30 A.M.	

EXPLANATION OF SIGNS.

- * Daily.
- † Daily, except Sunday.
- ‡ Daily, except Saturday.
- ▲ Passengers not carried locally between these stations.
- △ Stops to discharge passengers from Albany and points south on notice to conductor and will stop on station signal to receive passengers for Rouses Point and points north.
- △ Stops only to receive passengers.
- △ Stops to discharge passengers from points south of Albany and stops on signal to receive passengers for Saratoga Springs and points north.
- △ Stops to discharge passengers on notice to conductor and will stop on station signal to receive passengers.
- △ Stops only to discharge passengers.
- △ Stops to discharge passengers from points south of Albany and to receive passengers for Montreal until October 23, inclusive.
- Change trains; same station.
- Non agency station; no baggage handled.
- ◆ No facilities for handling checked baggage at this station.
- This train does not carry checked baggage New York to Albany.
- ▲ Non agency station; baggage handled.
- + Coupon stations.

ALL EQUIPMENT - RAILROAD OPERATED

NORTHBOUND TRAINS

NO. 35—LAURENTIAN—DAILY

THROUGH COACHES AND PARLOR CAR

(Dining Service)

NEW YORK TO ALBANY

(Sandwiches and Beverages)

ALBANY TO MONTREAL

MONTREAL LIMITED—DAILY
D & H NO. 9THROUGH COACHES AND SLEEPING CARS
WITH ROOMETTES—BEDROOMS—LOUNGE

NEW YORK TO MONTREAL

BUFFET BREAKFAST INTO MONTREAL IN LOUNGE CAR

SOUTHBOUND TRAINS

NO. 34—LAURENTIAN—DAILY

THROUGH COACHES AND PARLOR CAR

(Sandwiches and Beverages)

MONTREAL TO ALBANY

(Dining Service)

ALBANY TO NEW YORK

MONTREAL LIMITED—DAILY
D & H NO. 10THROUGH COACHES AND SLEEPING CARS
WITH ROOMETTES—BEDROOMS—LOUNGE

MONTREAL TO NEW YORK

BUFFET BREAKFAST INTO NEW YORK IN LOUNGE CAR

For number of table upon which each station is located, see General Index of stations in back part of Guide.

Schedule figures on this page are Eastern "DAYLIGHT SAVING" time.

THE DELAWARE AND HUDSON RAILROAD

corporation

Eastern "Daylight Saving" time.

Table 1—CHAMPLAIN AND SARATOGA DIVISIONS.

April 25, 1965.	Mile	DAH 34 NYC 50	D & H 10 Daily NYC 46 Ex. Sun. NYC 6 Sun. only	EXPLANATION OF SIGNS.
<i>(Connecting Trains via Can. Pac. Ry.)</i>				
Ottawa (Union Station).....	LEAVE	7:15 A.M.	7:40 P.M.	* Daily.
Quebec (Palais Station).....	LEAVE	7:50 A.M.	6:00 P.M.	† Daily, except Sunday.
<i>(Naperville Junction Ry.)</i>				
Montreal (Westmount).....	LEAVE	12:05 P.M.	10:20 P.M.	‡ Daily, except Saturday.
Montreal (West).....	LEAVE	12:12 P.M.	10:27 P.M.	§ Sunday only.
Naperville.....	LEAVE	12:20 P.M.	10:35 P.M.	* Passengers not carried
Lacolle.....	LEAVE	12:53 P.M.	11:08 P.M.	locally between these sta-
<i>(ARRIVE)</i>				
Rouses Point (D. & H.).....	ARRIVE	11:13 P.M.	8:32 P.M.	7 Stops to discharge pas-
Rouses Point.....	ARRIVE	11:19 P.M.	8:38 P.M.	sengers on notice to con-
Plattsburgh.....	ARRIVE	11:52 P.M.	9:08 P.M.	ductor and will stop on sta-
Port Kent.....	ARRIVE	12:08 P.M.	9:24 P.M.	tion signal to receive pas-
Willshoro.....	ARRIVE	12:32 P.M.	9:47 P.M.	sengers.
<i>(Elizabethtown Lake Placid Saratoga Lake)</i>				
Westport.....	ARRIVE	2:52 P.M.	9:08 P.M.	7 Stops to discharge pas-
Port Henry.....	ARRIVE	3:11 P.M.	9:24 P.M.	sengers from Saratoga Springs
Fort Ticonderoga (Ticonderoga).....	ARRIVE	3:37 P.M.	9:32 P.M.	and points north and stops
Whitehall (Autland).....	ARRIVE	4:08 P.M.	9:40 P.M.	on signal to receive pas-
Whitehall.....	ARRIVE	4:15 P.M.	9:47 P.M.	sengers for points south of
Comstock.....	ARRIVE	4:23 P.M.	9:54 P.M.	Albany.
Fort Edward (Gen. Felt).....	ARRIVE	4:45 P.M.	10:02 P.M.	7 Stops only to discharge
Saratoga Springs (Lake George).....	ARRIVE	5:14 P.M.	10:30 P.M.	passengers.
Mechanicville.....	ARRIVE	5:32 P.M.	10:48 P.M.	* Stops to discharge pas-
Watervliet (Troy).....	ARRIVE	5:48 P.M.	11:04 P.M.	sengers from Rouses Point
Albany.....	ARRIVE	6:05 P.M.	11:21 P.M.	and points north on notice
<i>(D. & H.)</i>				
Albany.....	LEAVE	6:45 P.M.	11:25 A.M.	to conductor and will stop
Hudson.....	LEAVE	6:55 P.M.	11:35 A.M.	on station signal to receive
Rhinecliff.....	LEAVE	7:05 P.M.	11:45 A.M.	passengers for Albany and
Poughkeepsie.....	LEAVE	7:15 P.M.	11:55 A.M.	points south.
Beacon (out to Newburgh).....	LEAVE	7:25 P.M.	12:05 P.M.	* Advance seat reserva-
Croton-Harmon.....	LEAVE	7:35 P.M.	12:15 P.M.	tion necessary on this train.
Yonkers.....	LEAVE	7:45 P.M.	12:25 P.M.	◆ No facilities for hand-
New York (South Street).....	LEAVE	7:55 P.M.	12:35 P.M.	ling checked baggage at this
New York (Grand Central Terminal).....	LEAVE	8:05 P.M.	12:45 P.M.	station.
<i>(ARRIVE)</i>				
Albany.....	ARRIVE	11:25 A.M.	11:25 A.M.	▲ Non agency station;
Hudson.....	ARRIVE	11:35 A.M.	11:35 A.M.	baggage handled.
Rhinecliff.....	ARRIVE	11:45 A.M.	11:45 A.M.	
Poughkeepsie.....	ARRIVE	11:55 A.M.	11:55 A.M.	
Beacon (out to Newburgh).....	ARRIVE	12:05 P.M.	12:05 P.M.	
Croton-Harmon.....	ARRIVE	12:15 P.M.	12:15 P.M.	
Yonkers.....	ARRIVE	12:25 P.M.	12:25 P.M.	
New York (South Street).....	ARRIVE	12:35 P.M.	12:35 P.M.	
New York (Grand Central Terminal).....	ARRIVE	12:45 P.M.	12:45 P.M.	

For Equipment, see page 82.

FREIGHT SERVICE ONLY.

Table 2. ALBANY AND BINGHAMTON.

Mile	STATIONS.
0	Albany
8.5	Delmar
10.2	Voorheesville
17.0	Altamont
20.8	Delanson
25.0	Central Bridge
32.4	Howe's Cove
44.7	Cobleskill
50.0	Richmondville
55.9	East Worcester
61.5	Worcester
66.5	Schenectady
70.4	Collier's
81.7	Oneonta
85.6	Utica
98.8	Unadilla
103.9	Sidney
108.5	Hainbridge
114.0	Alton
120.0	Harpurville
122.0	Binghamton

Table 3. SARATOGA SPRINGS-NORTH CREEK.

Mile	STATIONS.
0	Saratoga Springs
16.0	Corinth
21.0	Hadley Lake (Warner)
24.5	Stony Creek
35.2	Thurman
43.7	The Glen (Friends Lake)
49.5	Riverside
57.1	North Creek

Table 4. FORT EDWARD AND HUDSON FALLS.

Mile	STATIONS.
0	Fort Edward
2.4	Hudson Falls

Table 5. NINEVEH, N.Y., AND WILKES-BARRE, PA.

Mile	STATIONS.
0	Nineveh
3.8	Centre Village
8.4	East Windsor
11.8	Windsor
20.8	Lanesboro
28.6	Carbondale
35.0	Mayfield
41.0	Jermyn
44.2	Archbald
50.6	Jessup Peckville
56.1	Olyphant
60.6	Dickson City
71.6	Providence
72.4	Green Ridge
74.0	Seranton
75.3	South Scranton
80.0	Moosic
81.6	Avoca
84.1	Pittston
85.5	Yatesville
87.1	Lafin
89.5	Miners Mills
100.4	Parsons
122.4	Wilkes-Barre

Table 6. ONEONTA, N.Y., AND COOPERSTOWN, N.Y.

Mile	STATIONS.
0	Oneonta
5.1	Colliers
9.3	Portlandville
13.0	Milford
22.0	Cooperstown

Table 7. FORT TICONDEROGA, N.Y., AND TICONDEROGA, N.Y.

Mile	STATIONS.
0	Fort Ticonderoga
2.0	Ticonderoga

Table 8. MECHANICVILLE, N.Y., AND DELANSON, N.Y.

Mile	STATIONS.
0	Mechanicville
4.5	Ushers
7.5	Elmira
17.4	Schenectady
20.8	South Schenectady
32.0	Delanson

Table 9. BALLSTON SPA, N.Y., AND SCHENECTADY, N.Y.

Mile	STATIONS.
0	Ballston Spa
6.4	Ballston Lake
14.1	Schenectady

Table 10. WHITENALL, N.Y., AND RUTLAND, VT.

Mile	STATIONS.
0	Whitewall
8.4	Fair Haven
10.1	Hydenville
13.3	Castleton
19.7	West Rutland
22.1	Centre Rutland
23.5	Rutland

Table 11. EAGLE BRIDGE, N.Y., AND RUTLAND, VT.

Mile	STATIONS.
0	Eagle Bridge
6.1	Lambridge
10.8	Shushan
15.4	Greenwich Junction
17.5	Salem
21.7	West Rupert
25.2	Rupert
30.3	West Pawlet
36.0	Granville
38.1	Middle Granville
44.4	Poultney
52.1	Castleton
54.4	West Rutland
60.4	Centre Rutland
62.4	Rutland

Table 13. PLATTSBURGH, N.Y., AND AUSABLE FORKS, N.Y.

Mile	STATIONS.
0	Plattsburgh
6.1	Salmon River
8.0	Lapham's Mills
10.0	Peru
15.2	Herkness
23.5	Ausable Forks

Table 14. PLATTSBURGH, N.Y., AND LYON MOUNTAIN, N.Y.

Mile	STATIONS.
0	Plattsburgh
10.4	Morrisville
14.0	Ladyville
19.6	Danemora
24.1	Russia
25.1	Lyon Mountain

Schedule figures on this page are "DAYLIGHT SAVING" time.

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Erie Lackawanna Railroad

"THE FRIENDLY SERVICE ROUTE"

CONDENSED TIME-TABLES



Table 1—NEW YORK-SCRANTON-BINGHAMTON-ELMIRA-JAMESTOWN-YOUNGSTOWN-AKRON-CHICAGO.

STATIONS		1	5	6	2
Lve New York—(E.D.T.)—					
Rockefeller Center Terminal		A.M.	P.M.		
31 Rockefeller Plaza		*9:20	*6:40		
W. 34th Street at 8th Avenue (Hotel New Yorker)		*9:27	*6:47		
Lve Barclay Street Ferry		*9:45	*7:00		
Lve Hoboken (E.D.T.)		10:15	7:30		
Lve Newark		10:30	*7:45		
Lve Brick Church		10:47	*7:53		
Lve Summit		11:02	*8:05		
Lve Dover		11:20	*8:37		
Lve Paterson (Market Street)		11:54			
Lve Ridgewood		12:04			
Lve Scranton		1:15	10:58		
Lve Binghamton		3:12	12:10		
Lve Elmira		4:37	1:47		
Lve Hornell		6:10	3:15		
Arr Buffalo (515 Babcock Street)		8:00			
Lve Olean		7:40	4:33		
Lve Salamanca		8:10	5:09		
Lve Jamestown		8:53	5:44		
Lve Meadville		10:18	7:07		
Lve Youngstown		12:03	8:44		
Lve Warren		12:20	9:05		
Lve Akron		1:44	10:30		
Lve Marion		4:50	*12:15		
Lve Lima (C.D.T.)		4:54	*1:07		
Arr Chicago—(C.D.T.)—		8:24	4:05		
(Lynchburg Station)		A.M.	P.M.		
Lve Chicago—(C.D.T.)—				*4:05	*6:30
Lve Lima (C.D.T.)				*4:35	11:50
Lve Marion				4:42	1:10
Lve Akron				6:45	3:25
Lve Warren				7:40	4:28
Lve Youngstown				8:10	5:10
Lve Meadville				9:33	6:44
Lve Jamestown				10:55	8:18
Lve Salamanca				11:42	9:10
Lve Olean				12:04	9:35
Lve Buffalo (515 Babcock Street)					9:38
Lve Hornell				1:40	11:51
Arr Elmira				2:47	12:24
Arr Binghamton				4:00	1:47
Arr Scranton				5:23	3:10
Arr Ridgewood					*7:42
Arr Paterson (Market Street)					*8:51
Arr Dover				*7:43	*5:55
Arr Summit				*8:00	*5:50
Arr Brick Church				*8:12	*6:04
Arr Newark				*8:18	*6:16
Arr Hoboken				8:45	6:30
Arr New York—(E.D.T.)—					
Barclay Street Ferry		*9:04	*6:57		
8th Avenue at W. 32d St.				9:11	7:00
8th Avenue at W. 42d St.				9:13	7:02
Rockefeller Center Terminal					7:10
31 Rockefeller Plaza				9:25	7:02
(Lynchburg Station)				A.M.	P.M.

Table 2—NEW YORK-SCRANTON-BINGHAMTON-ELMIRA-BUFFALO.

STATIONS		No. 1	No. 43	No. 5	No. 17	No. 15	No. 37
Lve New York—(E.D.T.)—							
Rockefeller Center Terminal							
31 Rockefeller Plaza		*9:20 A.M.		*6:40 P.M.			
W. 34th Street at 8th Avenue (Hotel New Yorker)		*9:27 A.M.		*6:47 P.M.			
♦ 1st Street and 6th Avenue		*9:53 A.M.	14:24 P.M.	*7:03 P.M.	10:58 P.M.	*11:53 P.M.	
♦ Cortlandt Street		*9:54 A.M.	14:24 P.M.	*7:05 P.M.	10:54 P.M.	*11:44 P.M.	
Lve Barclay Street Ferry		*9:45 A.M.	14:30 P.M.	*7:00 P.M.			
Lve Hoboken		10:15 A.M.	14:50 P.M.	*7:30 P.M.	11:15 P.M.	*12:15 A.M.	
Lve Paterson (Market Street)		10:34 A.M.					
Lve Ridgewood		10:44 A.M.					
Lve Newark		10:55 A.M.	5:05 P.M.	*7:45 P.M.			
Lve Brick Church		11:07 A.M.	5:12 P.M.	*7:53 P.M.			
Lve Summit		11:20 A.M.	5:25 P.M.	*8:05 P.M.			
Lve Dover		11:30 A.M.	5:52 P.M.	*8:37 P.M.			
Lve East Stroudsburg		12:15 P.M.	6:45 P.M.	9:30 P.M.	5:11 A.M.	12:25 A.M.	
Arr Scranton		1:15 P.M.	8:00 P.M.	10:40 P.M.	6:30 A.M.	1:40 A.M.	
Arr Binghamton		2:48 P.M.		12:00 Night	4:00 A.M.	3:10 A.M.	
Arr Elmira		4:27 P.M.		1:17 A.M.		5:00 A.M.	
Arr Hornell		5:18 P.M.		3:00 A.M.		6:48 A.M.	
Arr Buffalo (515 Babcock Street)		8:00 P.M.				8:11 A.M.	12:10 P.M.

BUFFALO-ELMIRA-BINGHAMTON-SCRANTON-NEW YORK.

STATIONS		No. 10	No. 6	No. 4
Lve Buffalo (515 Babcock St.) (E.D.T.)		15:00 P.M.		1:35 A.M.
Lve Hornell		7:40 P.M.	*7:40 A.M.	1:41 A.M.
Lve Elmira		9:10 P.M.		12:34 P.M.
Lve Binghamton		10:55 P.M.	4:40 A.M.	2:07 P.M.
Lve Scranton		11:20 A.M.	5:11 A.M.	3:20 P.M.
Lve East Stroudsburg		1:48 A.M.	6:48 A.M.	4:38 P.M.
Arr Dover		2:18 A.M.	7:41 A.M.	4:52 P.M.
Arr Summit			8:00 A.M.	5:50 P.M.
Arr Brick Church			8:21 A.M.	6:04 P.M.
Arr Newark			8:31 A.M.	6:16 P.M.
Arr Ridgewood		3:21 A.M.	10:20 A.M.	*7:42 P.M.
Arr Paterson (Market Street)				*8:51 P.M.
Arr Hoboken		1:36 A.M.	10:35 A.M.	6:30 P.M.
Arr New York—				
Barclay Street Ferry			*9:04 A.M.	*6:57 P.M.
♦ Cortlandt Street			9:03 A.M.	6:49 P.M.
♦ 1st Street and 6th Avenue			9:06 A.M.	6:58 P.M.
8th Avenue at W. 32d Street			9:11 A.M.	7:00 P.M.
8th Avenue at W. 42d Street			9:13 A.M.	7:02 P.M.
Rockefeller Center Terminal				7:10 P.M.
31 Rockefeller Plaza			9:25 A.M.	

CONNECTIONS AT BUFFALO WITH NORFOLK AND WESTERN RAILWAY

Trains 1-31 connects with Norfolk and Western Train 5. For schedules, see Norfolk and Western page 249.

For Equipment of Trains, see following page.

* Daily; † daily, except Sunday; ‡ daily, except Saturday; § daily, except Monday; ¶ Sunday only; * stops to receive revenue passengers; † stops on advance notice to discharge revenue passengers; ‡ stops to discharge revenue passengers; § Saturday only; ¶ Connecting train en route at Binghamton. ♦ Via Port Authority Trans Hudson. • No ferry service on Saturdays, Sundays and holidays. (See Ferry Notice, page 224.) ▲ Motor coach service operates direct to and from train side Hoboken. ♦ No baggage checked to or from this station. ‡ Via Train 31 from Hornell. ▲ Via Train 42 to Hornell. ★ This reference mark, shown at certain stations indicates that city continues to observe Eastern Standard time—one hour earlier than Daylight time shown. C.D.T.—Central "Daylight Saving" time. E.D.T.—Eastern "Daylight Saving" time.

Erie Lackawanna Railroad

"THE FRIENDLY SERVICE ROUTE"



Table 3

NEW YORK-SCRANTON-BINGHAMTON-ELMIRA-JAMESTOWN-YOUNGSTOWN-AKRON-CHICAGO

NEW YORK-SCRANTON-BINGHAMTON-PORT JERVIS

15

5

43

1

10

6

40

2

The Owl

The World's Fair

The Twilight

The Phoebe Snow

21 Mts.

July, 1925.

New York Mail

The World's Fair

Pocono Express

The Phoebe Snow

22

42

17

17

17

17

21 Mts.

July, 1925.

New York Mail

The World's Fair

Pocono Express

The Phoebe Snow

22

42

17

17

17

17

21 Mts.

July, 1925.

New York Mail

The World's Fair

Pocono Express

The Phoebe Snow

22

42

17

17

17

17

21 Mts.

July, 1925.

New York Mail

The World's Fair

Pocono Express

The Phoebe Snow

22

42

17

17

17

17

21 Mts.

July, 1925.

New York Mail

The World's Fair

Pocono Express

The Phoebe Snow

22

42

17

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17

17

21 Mts.

July, 1925.

New York Mail

The World's Fair

Pocono Express

The Phoebe Snow

22

42

17

17

17

17

21 Mts.

July, 1925.

New York Mail

The World's Fair

Pocono Express

The Phoebe Snow

22

42

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21 Mts.

July, 1925.

New York Mail

The World's Fair

Pocono Express

The Phoebe Snow

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21 Mts.

July, 1925.

New York Mail

The World's Fair

Pocono Express

The Phoebe Snow

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42

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17

21 Mts.

July, 1925.

New York Mail

The World's Fair

Pocono Express

The Phoebe Snow

22

42

17

17

17

17

21 Mts.

July, 1925.

New York Mail

The World's Fair

Pocono Express

The Phoebe Snow

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July, 1925.

New York Mail

The World's Fair

Pocono Express

The Phoebe Snow

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July, 1925.

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New York Mail

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July, 1925.

New York Mail

The World's Fair

Pocono Express

The Phoebe Snow

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21 Mts.

July, 1925.

New York Mail

The World's Fair

Pocono Express

The Phoebe Snow

22

42

Continued on following page

For Explanation of Signs, see following page.

"THE FRIENDLY SERVICE ROUTE"



NEW YORK-SCRANTON-BINGHAMTON-ELMIRA-JAMESTOWN-YOUNGSTOWN-AKRON-CHICAGO

[illegible]

For Explanation of Signs, see following page.



Erie Lackawanna Railroad

"THE FRIENDLY SERVICE ROUTE"

Table 3—Continued.

Table 3-Continued.

NEW YORK-SCRANTON-BINGHAMTON-ELMIRA-JAMESTOWN-YOUNGSTOWN-AKRON-CHICAGO.

[illegible]

Table 4.

NEW YORK AND YULAN, ELDRED AND HIGHLAND LAKE.
(Via Shohola.)

No. 21 Daily		April 25, 1965		No. 22 Daily	
LEAVE		E.D.Y. ARRIVE			
New York					
7:00 A.M.	arr	8:00 A.M.	arr	8:20 P.M.	arr
7:34 A.M.	arr	8:00 A.M.	arr	8:20 P.M.	arr
8:00 A.M.	arr	8:00 A.M.	arr	8:20 P.M.	arr
See Note ▲ in Station 2 List				See Note ▲	
10:25 A.M.	arr	8:00 A.M.	arr	8:20 P.M.	arr
10:35 A.M.	arr	8:00 A.M.	arr	8:20 P.M.	arr
10:45 A.M.	arr	8:00 A.M.	arr	8:20 P.M.	arr
Highland Lake					
ARRIVE		LEAVE			

Holidays—Refers to New Year's Day, Washington's Birthday, Memorial Day, Independence Day, Labor Day, Thanksgiving Day and Christmas Day.

Note ♦—Motor coach service operates direct to and from trainside Hoboken. Westbound motor coaches leave from Rockefeller Center Terminal, 11 Rockefeller Plaza, and West 14th Street at 8th Avenue, Hotel New York. Eastbound motor coaches arrive at 8th Avenue at West 14th Street, 8th Avenue at West 4th Street, and Rockefeller Center Terminal. 11 Rockefeller Plaza.

Note A—In connection with Bus and Taxi Service, The Erie Lackawanna Railroad Company acts as agent only, and is not responsible beyond its own line, except as such responsibility may be imposed by law with respect to baggage.

Schedule figures on this page are Eastern "DAYLIGHT SAVING" time.

Erie Lackawanna Railroad

Eastern "Daylight Saving" time.

Table 5—NEW YORK-BINGHAMTON. Via Port Jervis.
For complete service between New York and Suffern, secure suburban
time-table from Passenger Traffic Manager, Hoboken, N. J.
For Through New York-Chicago Schedules, see Table 1.

[illegible]

EXPLANATION OF SIGNS.

All conditional stops are for revenue passengers only.

- * Daily.
- † Daily, except Sunday.
- ‡ Daily, except Saturday.
- § Daily, except Monday.
- ¶ Sunday only.
- Stops to receive passengers.
- / Stops on signal to receive and discharge passengers.
- ▲ Runs Saturday and Sunday only.
- 1 No ferry service on Saturday, Sunday and holidays, see Ferry Notice below.
- 2 Saturday only.
- 3 Stops on advance notice to discharge passengers from Ridgewood and east and receive passengers for Binghamton and west.
- 4 Stops June 15 to September 15, inclusive, on days train is scheduled to operate.
- 5 Daily, except Saturday and Sunday.
- 6 Via Herpes Co. Line.
- 7 Monday thru Saturday; connecting train—change at Paterson Sundays and holidays; stops at Passaic 7:42 a.m.
- 8 Stops Friday night only.
- 9 Will not run holidays.
- 10 Also runs holidays.
- 11 Pocono Summit Station for Pocono Manor, Pocono Crest and Split Rock Lodge.
- 12 Cresco (Station for Skutumpah, Buck Hill) Falls Mt. Airy Lodge, Canadensis, Mountainhome, South Sterling, Lake Wallenpaupack).
- 13 Passengers only; no vehicles.
- 14 No baggage checked on this train.
- 15 No checked baggage handled at this station.
- 16 Coupon stations.
- P. R. A. H. — Port Authority Trans-Hudson.
- 17 Rail-Air Service available at this point.

Note — Westbound motor coaches leave from Rockefeller Center Terminal, 12 Rockefeller Plaza and West 14th Street at 5th Avenue Hotel New Yorker and operate direct to trainside Hoboken.

Holidays—Refers to New Year's Day, Washington's Birthday, Memorial Day, Independence Day, Labor Day, Thanksgiving Day and Christmas Day. When any of the holidays mentioned fall on Sunday and are observed on the following Monday, these Mondays will be considered as holidays.

Table 6—NEW YORK-BINGHAMTON. Via Scranton.)
For complete service between New York and Dover, secure suburban
time-table from Passenger Traffic Manager, Hoboken, N.J.

	April 15, 1906.	Miles	1	43	5	17	15
[LEAVE].....							
New York.....							
Motor Coach See Note.....	A.M.			P.M.			
Hoboken-Lentz 2nd Ave.....	7:20			6:40			
H. 1st St & 8th Ave.....	7:27			6:47 P.M.			
Paterson.....	7:51	14.24		7:09 10:58			11:53
P.A.T.L. Co. Corlandt Street.....	7:54	4.24		7:05 10:54			11:44
Barclay Street.....	7:54	4.30		7:00			
Hoboken+.....	IVK	14.50		7:30 11:15			12:15
Newark.....	IVK	15:05		7:45			
Brick Church.....	+ 10.5	15:12		7:53			
Summit.....	20.1	15:25		8:05			
Dover.....	ATF 40.0	15:52		8:37			
Lynchhurst.....	IVE	42.3					
P.O.S.S. (Patterson Ave.).....	11.0						
Paterson-Barnfield+.....	16.8						
Mountain View.....	1.1						
Lancaster Park.....	2.29						
Towaco.....	25.1						
Beechton.....	30.2						
Mountain Lakes.....	32.3						
Dover.....	ATF 12.1						
Dover.....	IVK 40.5	15:52		8:37			
Blairstown.....	70.8	11:02		9:06			
East Stroudsburg.....	+ 84.2	12:15		9:30 11:11			2:25
Cresco.....	+ 92.1	12:36		9:50			
Mount Pocono.....	IVE 100.0			10:13			
Pocono Summit.....	+ 104.3	12:52		10:22			
Toiyonaw.....	+ 110.5			7:25			
Conialaboro.....	(15.3)						
Miner.....	12.84						
Saratoga.....	ATF 18.8	1:35	8:00	10:40 9:30			3:40
Saratoga.....	IVE 125.0	1:45	P.M.	10:58 9:45			4:00
Binghamton.....	134.4	2:48		12:00 11:00			5:00

FERRY NOTICE

No ferry service Saturdays, Sundays or major holidays, or 7 00 p.m. to 7 00 a.m. week-days.

Note A — Suburban trains will not be held at Hoboken for ferry boats from New York between the evening rush hours of 4:30 p.m. and 6:30 p.m., nor will ferry boats be held at Hoboken for morning rush-hour trains arriving Hoboken between 7:40 a.m. and 9:14 a.m. Mondays through Fridays, except major holidays.

**BARCLAY STREET FERRY
SERVICE**

**Mondays through Fridays,
except major holidays.**

[illegible]



Erie Lackawanna Railroad

"THE FRIENDLY SERVICE ROUTE"

Eastern "Daylight Saving" time.

Table 7 - BINGHAMTON-NEW YORK. (Via Port Jervis.)
For complete service between New York and Suffern, secure suburban time-table
from Passenger Traffic Manager, Hoboken, N. J.
For Through New York-Chicago Schedules, see Table I.

July, 1935.	50	52	54	70	58	72	22	74
Binghamton LEAVE								
Susquehanna LEAVE								
Depot LEAVE								
Hancock LEAVE								
Callicoon LEAVE								
Cochecton LEAVE								
Narrowsburg LEAVE								
Lackawanna LEAVE								
Shohola LEAVE								
Port Jervis LEAVE								
Port Jervis ARRIVE								
Utsville LEAVE								
Howells LEAVE								
Middletown LEAVE								
New Hampton LEAVE								
Goshen LEAVE								
Chester LEAVE								
Monroe LEAVE								
Harriman LEAVE								
Arden LEAVE								
Southfields LEAVE								
Tuxedo LEAVE								
Sloatsburg LEAVE								
Suffern LEAVE								
Mahwah LEAVE								
Ramsey LEAVE								
Allendale LEAVE								
Waldwick LEAVE								
Hoboken LEAVE								
Hoboken ARRIVE								
New York (Barclay St. Pk.) ARRIVE								
P. A. T. H. 33d St. & 6th Ave. ARRIVE								
P. A. T. H. 33d St. & 6th Ave. ARRIVE								
Motor Coach (see Note) LEAVE								
8th Ave. at W. 42d St. LEAVE								
8th Ave. at W. 42d St. LEAVE								
Rockefeller Center Terminal LEAVE								
New York ARRIVE								

EXPLANATION OF SIGNS.

All conditional stops are for revenue passengers only.

* Daily.

† Daily, except Sunday.

‡ Daily, except Saturdays.

§ Daily, except Monday.

|| Sunday only.

¶ Stops to discharge passengers.

▲ Saturdays and Sundays only.

◆ Shows an advance notice to discharge passengers.

◆ Shows an advance notice to discharge passengers.

◆ Saturday only.

◆ Stops on advance notice to let passengers from Binghamton and Port Jervis and to pick up passengers for Ridgewood and East.

◆ No ferry service on Saturday, Sunday and holidays, see Ferry Note, page 275.

◆ Stops June 15 to September 15, inclusive, on days train is scheduled to operate.

◆ No baggage checked on this train.

◆ Daily, except Saturday and Sunday.

◆ No checked baggage handled at this station.

◆ Via Bergen Co. Line.

◆ Pocono Summit Station for Pocono Manor, Pocono Crest and Split Rock Lodge.

◆ Cresco (Station for Skytop, Big Hill Falls, Mt. Airy Lodge, Canadaway, Mountainhome, South Sterling, Little Wallenpannack).

P. A. T. H. - Port Authority Terminal, Hudson.

Note ◆ - Eastbound motor coaches operate direct from transside Hoboken and arrive 8th Avenue at West 42d Street, 8th Avenue at West 42d Street and Rockefeller Center Terminal, Rockefeller Plaza.

Holidays - Refers to New Year Day, Washington's Birthday, Memorial Day, Independence Day, Labor Day, Thanksgiving Day and Christmas Day. When any of the holidays mentioned fall on Sunday and are observed on the following Monday, these Mondays are considered as holidays.

For Explanation of Note ◆ see preceding page.

Table 8 - BINGHAMTON-NEW YORK. (Via Scranton.)
For complete service between New York and Dover, secure suburban time-table
from Passenger Traffic Manager, Hoboken, N. J.

April 25, 1935.	10	6	40	2	42
Binghamton, N. Y. LEAVE					
Scranton LEAVE					
Scranton ARRIVE					
Monroe LEAVE					
Goudsboro LEAVE					
Tobyhanna LEAVE					
Pocono Summit LEAVE					
Mount Pocono LEAVE					
Cresco LEAVE					
East Stroudsburg LEAVE					
Blairtown, N. J. LEAVE					
Dover LEAVE					
Dover ARRIVE					
Mountain Lakes LEAVE					
Boonton LEAVE					
Towaco LEAVE					
Lincoln Park LEAVE					
Mountain View LEAVE					
Paterson (Marshall Street) LEAVE					
Passaic (Passaic Avenue) LEAVE					
Lyndhurst LEAVE					
Dover LEAVE					
Summit LEAVE					
Brick Church LEAVE					
Newark LEAVE					
Hoboken, N. J. LEAVE					
New York (Barclay St. Pk.) LEAVE					
P. A. T. H. 33d St. & 6th Ave. LEAVE					
P. A. T. H. 33d St. & 6th Ave. LEAVE					
Motor Coach (see Note) LEAVE					
8th Avenue at West 42d Street LEAVE					
8th Avenue at West 42d Street LEAVE					
Rockefeller Center Terminal LEAVE					
New York ARRIVE					

Schedule figures on this page are Eastern "DAYLIGHT SAVING" time.

E27

Erie Lackawanna Railroad

"THE FRIENDLY SERVICE ROUTE"

Eastern "Daylight Saving" time.



Table 9—CLEVELAND—WARREN—YOUNGSTOWN.
Erie Lackawanna trains arrive and depart from
Cleveland Union Terminal, Public Square.

No. 628	Mile	Time, 1945.	No. 629
★	0	Cleveland (Levee)	★
15:20 P.M.	0	Public Square (Union Terminal)	47:50 A.M.
15:29	3.3	East 12th Street (East 12th Ave.)	47:42
15:40	8.6	St. Clair (Shaker Hotel)	47:31
15:45	10.7	North Randall	47:26
15:52	15.8	Solon	47:20
15:59	20.4	Grauga Lake	47:12
16:06	21.6	Aurora	47:06
16:17	30.0	Mantua	47:05
16:24	34.4	Leedoe	47:04
16:30	37.7	Garrettsville-Hiram	47:01
16:51	52.0	Warren	47:00
16:59	57.7	Wiles	47:00
17:10 P.M.	66.6	Youngstown (Levee)	47:00 A.M.
19:20 P.M.	66.6	Youngstown (Levee)	
9:48 P.M.	64.8	New Castle	
10:55 P.M.	120.0	Pittsburgh (Levee)	
11:25 P.M.	132.0	Pittsburgh (Levee)	
11:56 P.M.	147.0	McKeesport	
12:10 A.M.	160.0	Connellsville	
12:41 A.M.	172.0	Cumberland	
1:01 A.M.	184.0	Martinsburg	
1:07 A.M.	191.0	Harper's Ferry	
1:20 A.M.	201.0	Silver Spring	
1:25 A.M.	208.0	Washington (Levee)	
1:35 A.M.	215.0	Washington (Levee)	
1:45 A.M.	219.0	Baltimore (Camden Sta.)	

EXPLANATION OF SIGNS.

All conditional stops are for revenue passengers only.

★ Daily.

□ No baggage checked to or from these stations.

□ No checked baggage handled at this station.

● No baggage checked.

◆ Checked baggage carried on this train between Youngstown and Cleveland only.

† Daily except Saturday, Sunday and holidays.

+ Will not run New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day or Christmas Day.

+ Coupon station.

● Rail-Auto Service available at this point.

NOTE A—Frequent suburban passenger service operated between New York (Barclay Street Ferry, see Ferry Notice, page 225) Hoboken and stations shown on lines indicated below.

For complete service secure suburban time-tables from Passenger Traffic Manager, Hoboken, N. J.

SUBURBAN PASSENGER SERVICE. See Note A

Table 10.
MORRISTOWN LINE.

Mile	STATIONS.
0	New York (Barclay St. Ferry)
1.0	Hoboken
8.1	Harrison (East Street)
8.8	Newark (Broad Street)
10.0	Kearny Avenue
10.7	Grove Street
11.0	East Orange
11.5	Brick Church
12.1	Orange
13.2	Hughland Avenue
14.7	Mountain Station
14.9	South Orange
16.2	Maplewood
17.8	Morris Plains
18.5	Short Hills
21.1	Summit
24.5	Chatham
26.1	Madison
26.7	Convent
26.8	Morristown
28.0	Morris Plains
28.7	Mount Laurel
29.1	Denville
31.5	Dover

Table 11.
MONTCLAIR BRANCH.

Mile	STATIONS.
0	New York (Barclay St. Ferry)
1.0	Hoboken
8.1	Harrison (East Street)
8.8	Newark (Broad Street)
10.0	Kearny Avenue
10.7	Grove Street
11.0	East Orange
11.5	Brick Church
12.1	Orange
13.2	Hughland Avenue
14.7	Mountain Station
14.9	South Orange
16.2	Maplewood
17.8	Morris Plains
18.5	Short Hills
21.1	Summit
24.5	Chatham
26.1	Madison
26.7	Convent
26.8	Morristown
28.0	Morris Plains
28.7	Mount Laurel
29.1	Denville
31.5	Dover

Table 12.
RIDGEWOOD-SUFFERN LINE.

Mile	STATIONS.
0	New York (Barclay St. Ferry)
1.0	Hoboken
9.4	Rutherford (E. Rutherford)
10.6	Carlton Hill
8.6	Kingsland
9.4	Lyndhurst
10.7	Liaison
11.6	Passaic (Passaic Avenue)
12.4	Clifton (Clifton Ave. Station)
14.4	South Paterson
16.0	Paterson (Market Street)
17.6	River Street, Paterson
18.7	Hawthorne
22.4	Garfield
13.7	Plauderville
16.4	Broadway Fair Lawn
17.6	Radburn Fair Lawn
20.4	Green Rock
21.7	Ridgewood
22.1	Hoboken
24.2	Waldwick
25.6	Allendale
27.6	Roseton
28.1	Mahwah
31.5	Suffern

Table 13.
NEWARK BRANCH.

Mile	STATIONS.
0	New York (Barclay St. Ferry)
1.0	Hoboken
8.1	Harrison (East Street)
8.8	Newark (Broad Street)
9.4	Kearny Avenue
10.0	Woodside
10.7	Belleville (Cleveland St.)
11.0	Belleville
11.5	Nutley (Nutley Street)
11.6	Nutley
14.7	Nutley (Nutley Avenue)
15.5	Allwood
16.0	Athens (Columbia Avenue)
19.3	South Paterson
20.4	Paterson (Market Street)

Table 14—GREENWOOD LAKE-BOONTON LINE. CALDWELL BRANCH. SUSSEX BRANCH.

Mile	STATIONS.
0	New York (Barclay St. Ferry)
1.0	Hoboken
7.6	Arlington
8.3	West Arlington
8.7	North Newark
9.3	Forest Hill
10.5	Rose Street
11.7	Green Ridge (Benson Street)
12.7	Montclair (Erie Plaza)
13.6	Watchung Ave. Montclair
14.5	Upper Montclair
15.0	Mountain Avenue
15.5	Montclair Heights
17.4	Great Notch
17.9	Great Notch
19.0	Cedar Grove
20.0	Verona
22.0	Caldwell
23.0	Essex Falls
25.4	Little Falls (Hudson Ave.)
27.4	Mountain View (Erie Ave.)
27.7	Wayne
28.7	Piquanock
29.3	Pompton Plains
29.4	Pompton Riverdale
30.6	Haskell
31.1	Wanaque-Midvale
32.9	Lincoln Park
36.1	Towaco
38.8	Montville
39.2	Boonton
39.4	Mountain Lakes
39.9	Dienville
39.9	Dover
40.5	Lake Hopatcong
40.5	Mt. Arlington
40.7	Netcong (Stanhope)
48.0	Hackettstown
67.8	Washington
49.4	Netcong (Stanhope)
54.0	Cranberry Lake
56.4	Andover
61.0	Newton
60.0	Lafayette
70.1	Branchville

Table 15.
NORTHERN BRANCH.

Mile	STATIONS.
0	New York (Barclay St. Ferry)
1.0	Hoboken
10.1	Ridgefield
11.4	Palisades Park
12.4	Leonia
14.9	Englewood
15.9	Hudson Ave. Englewood
16.9	Tenafly
18.1	Cresskill
19.1	Deerpark
20.1	Closter
21.0	Norwood
22.7	Northvale
24.7	Sparkhill
25.9	Piermont
27.1	Grand View
30.1	Nyack

Table 16.
GLADSTONE BRANCH.

Mile	STATIONS.
0	New York (Barclay St. Ferry)
1.0	Hoboken
8.8	Newark (Broad St.)
21.1	Summit
22.6	New Providence
24.4	Murray Hill
26.8	Berkeley Heights
28.1	Gillette
29.5	Surling
31.1	Millington
32.8	Lyons
34.0	Basking Ridge
35.8	Bernardsville
38.5	Mine Brook
40.0	Far Hills-Bedminster
42.8	Peapack
43.3	Gladstone

BEFORE THE
SURFACE TRANSPORTATION BOARD

Finance Docket No. 33388

CSX CORPORATION AND CSX TRANSPORTATION INC.,
NORFOLK SOUTHERN CORPORATION AND
NORFOLK SOUTHERN RAILWAY COMPANY
-- CONTROL AND OPERATING LEASES/AGREEMENTS --
CONRAIL INC. AND CONSOLIDATED RAIL CORPORATION

**Verified Statement
of
Robert L. Banks**

I. Qualifications and Introduction

My name is Robert L. Banks. I am Chief Executive of R.L. Banks & Associates, Inc., a firm of transportation economists and engineers, with offices at 1717 K Street, NW, Washington, DC 20006 and at 4 Britton Avenue, Belvedere, CA 94920. Details of my qualifications are set out at Appendix A.

In response to the proposed joint acquisition of Conrail by CSX Corporation (CSX) and Norfolk Southern Corporation (NS), the State of New York has asked me to address the public interest in restoring pre-Conrail intramodal rail competition in that part of the State east of the Hudson River and in correction of the anti-competitive rail situation which obtains at Buffalo, NY.

These matters are worthy of attention by the Surface Transportation Board (STB) in this proceeding because they flow from shortfalls in a complex regulatory and planning process which began in the early 1970's and which continue to the present Application. These shortfalls lead ineluctably to the conclusion that the process failed to reach the competitive goals which had been set for it. All involved agreed that

continued rail intramodal competition throughout the Northeast and Midwest served the public interest. In the event, that goal was not realized in the part of New York State east of the Hudson River, nor at Buffalo.

II. Changes in Rail-Rail Competition from the PennCentral Merger and Conrail's Creation

The following summary sets forth the series of events which have together deprived southern and western New York of effective rail-rail competition.

Rail intramodal competition was vigorous in New York east of the Hudson River via interline connections and joint routes and rates. Marine carferry operations provided a vital link between New Jersey terminals and receiving points in Brooklyn and Queens for rail carload traffic, including joint line routes to/from New England.

The PennCentral (PC) merger eliminated three of the pre-1968 rail competitors (PC controlled a fourth railroad, Lehigh Valley (LV)). Merger of Pennsylvania Railroad (PRR), New York Central Railroad (NYC) and New York, New Haven and Hartford Railroad (NH) left (1) PC/LV; (2) Baltimore & Ohio Railroad (BO); (3) Reading Company (RDG); (4) Central Railroad Company of New Jersey (CNJ); (5) Erie-Lackawanna Railroad (EL); and (6) the Long Island Rail Road (LIRR). PC served directly both sides of the Hudson River on its own tracks and via interchange with the LIRR.

The level of real, effective interrail competition has to be judged by the fact that after PC entered bankruptcy reorganization in early 1970, cessation of interline revenue payments to PC's connecting lines, including competitive route railroads, resulted in their financial failures.

Following these events and the mid-1973 decision of the Trustees of PC that that rail carrier could not be reorganized successfully under Section 77 of the Federal Bankruptcy Law, Congress intervened, held extensive hearings, and enacted special legislation to address the threat to the public interest from discontinuance of rail service and competition in the Northeast and Midwest.

The process of analysis and planning was given to a special non-governmental agency, United States Railway Association (USRA). However, USRA had no power to compel profitable rail carriers to participate in its Preliminary and Final System Plans (PSP and FSP, of February and July, 1975, respectively).

During the 1973-75 period, the EL trustees initially determined that that railroad could be reorganized in the traditional bankruptcy process. Ultimately, in early 1975, the EL trustees reversed their findings and with Court approval became subject to the USRA planning process.

Despite great effort by USRA to devise a regional rail system which would (1) maintain essential services and (2) maintain and enhance rail-rail competition, USRA's recommended solution, a Three-System East, consisting of Conrail (CRC), Chessie System (CS) then comprised of Chesapeake & Ohio (CO) and Baltimore & Ohio (BO) and Norfolk & Western Railway (NW) failed to attract support and cooperation from CS and NW.

USRA's secondary plan involved two regional reorganizations (PC-Ann Arbor (AA)) and Mid-Atlantic Rail Corporation/EL (MARC/EL) plus CS and NW, or four separate Eastern railroad systems. The prospective financial weakness of proposed combinations of regional bankrupts led USRA not to recommend that backup plan.

Instead, USRA recommended a Unified Conrail system as its secondary plan conditioned by acquisition of line segments by other profitable railroads to provide service, while maintaining competition via trackage rights and joint use.

The result was that in New York State, between Albany and the Metropolitan New York area east of the Hudson River including Long Island, direct rail competition was effectively lost to sole service via CRC. At Buffalo, CRC emerged with such market power that it effectively dampened the limited competition that otherwise existed.

III. How the Problems Can Be Rectified

Regulatory practice and theory have changed significantly since CRC was formed in 1976. Market entry and exit has been eased for rail carriers. The rail industry has further been reorganized into a small number of large interregional railroads and a larger number of regional and shortline railroads through merger, consolidation and property divestiture. In several of the railroad mergers since 1981, trackage rights have been granted to entities other than railroads to effect improvements to rail-rail competition.

These changes in regulatory policy and practice have not resulted in abandoning the public interest in just and reasonable rail rates and services; changes have been adopted to make the process conform to modern economic theory and practice which are grounded in reliance upon market forces and competition to discipline market power. Given the enormous financial investment that assembly of property and new railroad construction would entail, prescribed joint use of existing rail facilities is understood to be a widely accepted practice to secure access to rail-rail competition.

The Primary Application recognizes the need to restore rail competition south and west of the Hudson, and elsewhere, through its proposals for establishment of Shared Assets Areas. However, no such condition is deemed essential east thereof. By the same token, I find it ironic that while the Primary Application recognizes the need to continue competitive access and to make provision for competition at numerous other locations where current competition would be eliminated, such as Indianapolis and a few other Indiana and Ohio points, Applicants made no provision for the restoration of competition at locations such as that part of New York east of the Hudson River and at Buffalo, which lost that condition during the sequence of events leading to CRC's formation.

East of the Hudson River

Restored rail/intermodal competition in New York east of the Hudson River can be realized by granting access to and service via present CRC lines to an independent rail carrier unaffiliated with CRC or CSX, by a grant of authority from this Board to New York to choose a railroad carrier to provide service under contemporary economic circumstances governing trackage rights, to assemble and disassemble trains and

serve specific locations/customers on lines which CSX seeks to acquire. Details of this remedy are set forth in New York's Responsive Application and in the Verified Statement of Walter H. Schuchmann.

Pro-competitive trackage rights grants have been characteristic of many railroad mergers and consolidations consummated during the past 40 years. Indeed, in the recent western rail merger cases, the grants of trackage rights were the most extensive in the history of U.S. railroad regulation and, because of special circumstances then obtaining, and which obtain here as well, the Board delegated to others having a direct and legitimate interest, the right of choice among prospective railroad operators to exercise such trackage rights.

In and of themselves, the granting by regulators of physical, commercial and operating access by non-participants to merged facilities can cure many of the anti-competitive aspects of any merger or acquisition of joint control. Such access will in this case permit a rail competitor to offer contract rates and services to effect bona fide competition with CSX. In my opinion, this solution is mandated in this proceeding by the antecedents in the planning and operating process which led to the formation of CRC and the resulting foreclosure of access by financially viable competitors in the area of New York east of the Hudson River. Having lost genuine access to directly competitive rail service, first in the PC merger and subsequently in the PSP and FSP process, long-haul rail movement after 1976, to and from many establishments in the eastern part of New York consuming commodities typically moved by rail, as summarized in Table 1, on page 6, was and is today provided exclusively by CRC.

At Buffalo

The situation at Buffalo is similar to that east of the Hudson River. While Buffalo today enjoys some reciprocal switching, the charges for switching services have increased substantially since the formation of CRC in 1976. Today, little if any rail traffic can be considered subject to competition, a situation which would persist under the Applicants' plan. The Erie-Niagara Rail Steering Committee is seeking approval of appropriate requirements for the restoration of intramodal rail competition throughout the Buffalo switching district, utilizing a Shared Assets Area similar to that proposed by Applicants at Detroit. In my view, this is an effective remedy for the problem described.

Table 1

Agricultural, Mining, Construction and Manufacturing Establishments
in New York East of the Hudson River
1994

SIC NOS.	07-08	10-14	15-17	20-39
County	Agr/For	Mining	Construc.	Mfg.
RENSSELAER	30	5	336	120
COLUMBIA	46	2	180	104
DUTCHESS	147	14	755	211
PUTNAM	68	2	357	60
WESTCHESTER	637	16	2,839	1,043
BRONX	24	3	859	524
NEW YORK	138	40	1,623	6,432
KINGS	143	2	2,338	2,593
QUEENS	135	8	3,066	1,992
NASSAU	913	6	3,587	1,771
SUFFOLK	929	20	4,711	2,544
TOTAL	3,213	92	20,631	17,397

Source: US Bureau of the Census, 1994 County Business Patterns.

Prior to the formation of CRC, many shipper sidings in the Buffalo area were served by the rail competitors which antedated the creation of that carrier. Those predecessor railroads included: PC (comprised of previous competitors PRR and NYC), EL, LV, NW, CS and Buffalo Creek Railroad Company (BCR). Much of the switching within the Buffalo terminal was performed by BCR which was a property jointly leased by EL and LV. CRC inherited BCR ownership in the FSP designation process. [See FSP, Vol. I-Part II p.228, Note 13 and p.283 which reference the assignment to Conrail.] In the period prior to CRC (as well as before the PC merger), the BCR provided local industrial switching as well as interline connections between the other rail carriers serving the Buffalo terminal which did not possess direct access to discrete shipper sidings. This latter group of joint line competitors included Canadian National Railways (CN), CS and NW which BCR served via the three principal roads EL, LV and NYC. [Source: The Official Guide of the Railways, February 1968, pp.651 and 783.]

It is noteworthy that resolution of the terminal access problem in the Buffalo area was another failed attempt by USRA. Apparently no consideration was given to the likely diminution of rail intramodal competition when a neutral terminal carrier became captive to CRC.

IV. Pre-Conrail Rail Competition East of the Hudson River

Prior to the PC merger there were nine line-haul railroad rate and service options available individually or in combination to shippers and receivers in the eleven counties east of the Hudson River between Albany and New York City:

Baltimore & Ohio Railroad (BO)	New Haven Railroad (NH)
Central R.R. of New Jersey (CNJ)	New York Central Railroad (NYC)
Erie-Lackawanna Railroad (EL)	Pennsylvania Railroad (PRR)
Lehigh Valley Railroad (LV)	Reading Company (RDG)
Long Island Rail Road (LIRR)	

At New York City several of these roads provided their own proprietary cross-harbor marine services. In addition to such direct lines, joint interline connections were effected on the eastern side of the harbor by switching and terminal carriers such as

Brooklyn Eastern District Terminal Railroad (BEDT), New York Dock Railway (NYD) and Bush Terminal Railroad Co. (BT). Those three rail interchange entities provided rail-marine access via float bridges which enabled carferry loads of rail cars to be transferred for interchange. The location of the physical facilities of these pre-CRC carriers is shown at Map One, on the following page. Since CRC was created, all have been succeeded by one rail/marine carrier, the New York Cross Harbor Railroad (NYCH), as shown at Map Two, at p.10.

After the 1968 PC merger the number of line-haul rail competitors decreased to six, with the consolidation of PRR, NYC and NH into a single enterprise.

After PC's bankruptcy in 1970, two and a fraction years later, and ultimately the creation of CRC in 1976, the LIRR and New York east of the Hudson River became captive to CRC (all connections other than CRC were eliminated by FSP creation of Unified CRC, discussed below). Interchanges between CRC and its connections at longest haul junctions were no longer mandated when archaic joint through route regulation was excised by the Staggers Act of 1980 and the Northeast Rail Services Act of 1981.

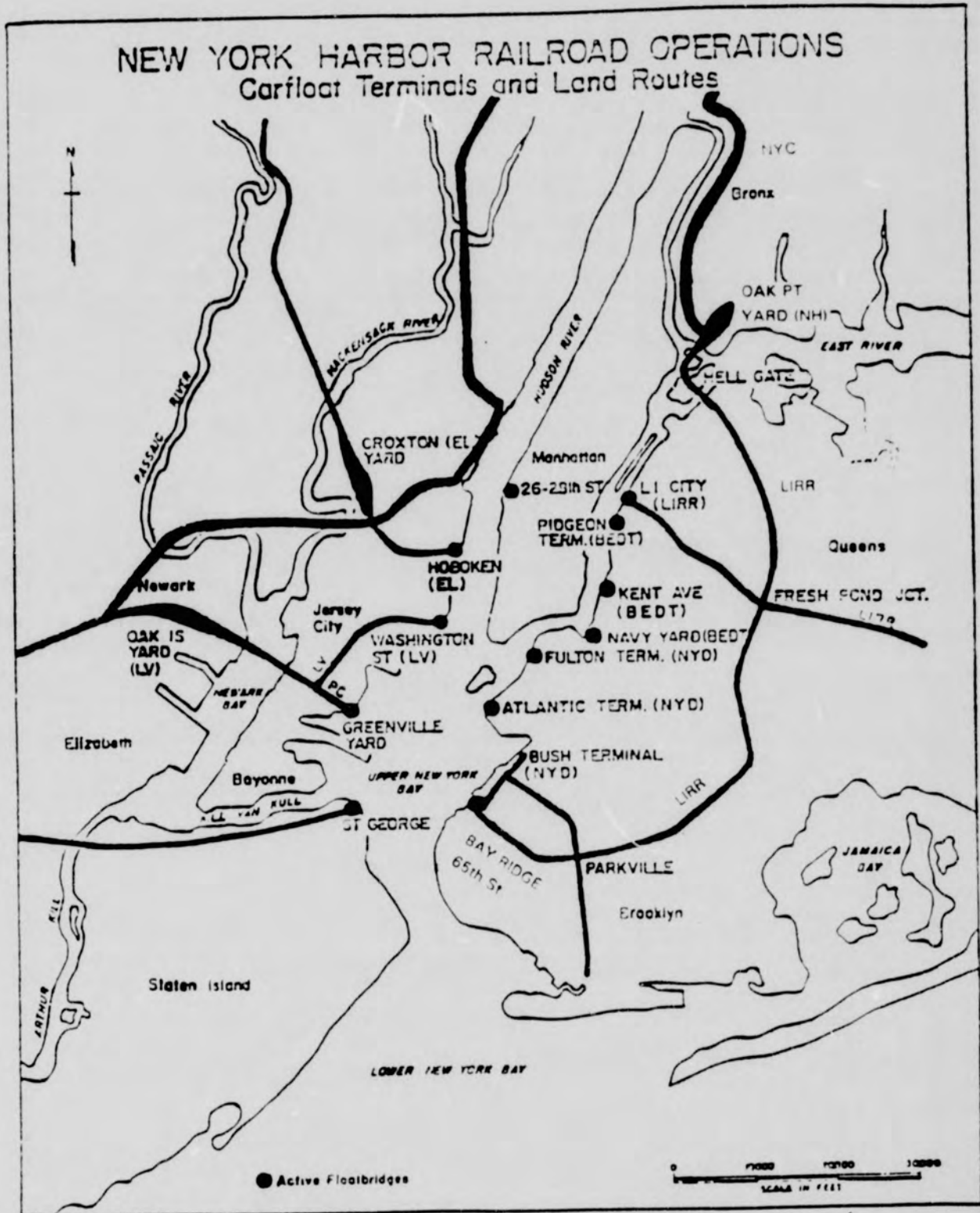
Thus competitive rail service at stations in the eleven New York counties east of the Hudson River was substantially reduced by the PC merger itself, and then effectively eliminated in the formation and operation of CRC.

The virtual elimination of railroad competitive access to New York stations in the eleven county area resulted from several events. The PC merger caused a substantial diversion of both traffic and revenue from several of the smaller railroad carriers. This led to a net decrease in the traffic via such joint interline routes upon which conditioned approval of the PC merger had been granted. Yet, notwithstanding PC's aggressive solicitation of its own routes, by 1970, the PC merger had failed to produce income adequate to sustain the merged carriers.

The financial failure of PC led to court ordered relief from requirements to make revenue payments to its interline partners (CNJ, RDG, EL, LV and others). This loss of essential revenue led to their own financial bankruptcies (except for CNJ which had

Map One

9



Adapted from an unidentified source.

R.L. BANKS & ASSOCIATES, INC.





(used by permission)

gone into financial reorganization in 1967). PC had been forced to accept the already bankrupt NH in response to the latter's demands for protection in the PC merger itself, thereby eliminating still another interline competitor. Similarly, PC controlled LV until that carrier failed and entered a separate bankruptcy reorganization proceeding which was ended by formation of CRC, with its inclusion of the LV assets.

The formation of CRC therefore resulted in the ultimate loss by the eleven county region of access to direct railroad competition through the cumulative process of mergers and acquisitions and changes in the philosophy under which the public interest was presumed to be best served, i.e., ordered competitive access and/or shared use of facilities.

V. Goals of the Preliminary and Final System Plans

It cannot be argued that a return to the superfluity of rail intramodal competition (which preceded the PC merger) is either desirable or economically viable. However, a return to the level of competition envisioned in the PSP and FSP for CRC (and other systems) is necessary if the interests of New York are to be finally addressed and satisfied.

Restoration of true competition for eastern New York points will require relief which the FSP recognized would be in the public interest after EL came into the 3R Act processes. As the FSP September 1975 Supplement noted:

A unified ConRail, however, would eliminate effective intramodal (rail-rail) competition in a large section of the eastern part of the Region. [FSP Supplemental Report p.109]

That shortcoming has been experienced since 1976 with the formation of what the FSP described as Unified ConRail. Simply put, CRC has had no incentive to develop its north-south (or vice versa) freight traffic flows. It has instead elected to concentrate its efforts on east-west flows which favor CRC's long haul mileage and operating configuration. This contributed to the loss of substantial rail traffic originating or destined to points in New York east of the Hudson River. It should be

noted that the Joint Applicants' witnesses cite the relatively shorter haul associated with north-south traffic in the eastern US as a disincentive for CRC to focus favorably on such markets.

I do not mean to diminish either the level of effort or the amount of detail comprehended by the efforts of the USRA staff in its analysis of the regional railroad restructuring problems and proposed solutions which represented broad public participation. When threatened with the probable liquidation of PC, the Regional Rail Reorganization (3R) Act was passed by Congress in late 1973 to provide an alternative to traditional railroad bankruptcy reorganization procedures then in proceedings before several US courts.

USRA was given broader powers than those afforded to bankruptcy judges and operated under a constrained timetable. By February 26, 1975 USRA had to issue its PSP findings and recommendations (only 14 months after enactment of the 3R Act which required it). By July 26, 1975 the FSP was required to be delivered to Congress, an event complicated by the January 1975 decision by Trustees of the EL that the railroad could not be financially reorganized, and therefore that EL assets were to be included in both the PSP and FSP processes.

The goals of the 3R Act with respect to the research and planning exercises undertaken by the USRA are set forth in the 3R Act itself [see PSP Vol. 1 p.222] in Section 101 [Declaration of Policy]. More specifically, the purposes set forth in Section 101(b) demonstrate the intent of Congress at the time the process was initiated, January 2, 1974. Of the six purposes enumerated in the referenced subsection of the 3R Act, two specifically spoke to the need to restore and enhance rail-rail competition.

In reaching its conclusions in the PSP, USRA found as follows, at page 17:

- The Northeast and Midwest Region should be served by three major rail systems -- a ConRail largely based on Penn Central, the Norfolk & Western and the Chessie System -- supplemented by strengthened operations of the smaller solvent railroads. In the interest of preserving competition in major markets, the Norfolk & Western and/or the Chessie System should expand to control and operate services over certain main lines of the bankrupts.

Because of these transfers of properties to solvents, ConRail would not exercise monopoly control over any major market in the Region.

- ConRail's system initially should include some 15,000 miles of principal, secondary and feeder lines including 3,400 miles of light-density lines. This system will enable ConRail and the Region's solvents to provide carriage for more than 95.5 percent of the traffic currently generated by the Region's shippers.

These findings were unacceptable to both CS (a CSX predecessor), and NW (an NS predecessor), thereby forcing the FSP to address only a "Unified Conrail" which resulted in substantial elimination of intramodal competition in the seventeen state planning region, including New York east of the Hudson River, and its severe diminution at Buffalo. Thus in the FSP, USRA found that non-acceptance by the solvents (CS and NW) of the lines and services proposed for their acquisition, effectively foreclosed direct rail-to-rail competition in much of the Northeast region. [See FSP pp.13-15].

A situation in which rail intramodal competition would be maintained and enhanced was analyzed by USRA after it received the individual negative responses from NW and CS to the PSP proposed "Three System East." A new alternative was considered (but not recommended by USRA) to partially achieve these goals by use of two combinations. These were (1) small CRC, comprised of PC and AA lines, and (2) Mid Atlantic Rail Corporation/EL (MARC/EL) comprised of the lines of LV, RDG, CNJ, Lehigh & Hudson River (LHR) and the eastern portion of EL. USRA chose not to recommend this alternative, instead favoring creation of the larger ("unified") CRC system.

Although the FSP did not explicitly provide for continuation of competition east of the Hudson River, an alternative view was advanced by William W. Scranton, a former governor of the Commonwealth of Pennsylvania (and a member of the USRA Board of Directors at the time the FSP was issued) in support of the formation of both CRC and the MARC/EL systems.

The relevant portion of the Scranton Separate Statement (included in the FSP as an Attachment) states that:

If the USRA preferred plan (which includes the Chessie System purchasing much of the Erie Lackawanna and Reading railroads) does not become a reality for any reason, then I advocate the two-system plan "MARC/EL plus ConRail (PC-AA) System", rather than "Unified ConRail".

The USRA financial projections indicate that "Unified ConRail" has a greater likelihood for profitability and viability than ConRail and MARC/EL. But "Unified ConRail" has the distinct disadvantage of monopoly. In the belief that competition benets better management and better service, I prefer a smaller ConRail and MARC/EL. Further, two major systems in the Northeast are preferable to a monopoly in working toward a viable railroad structure for the whole Nation. [See FSP p.185.]

From the passages cited in the FSP, it is apparent that the failure of CS and NW to participate in the restructuring of the northeastern railroads forced the formation of unified CRC and resulting losses of service at points where former PC had competed directly with one or more of the other northeastern bankrupt railroads including Reading/CNJ and EL in the metropolitan region of New York east of the Hudson River, and at Buffalo.

The direct predecessors (CS and NW) of the present Joint Applicants (CSX and NS) appear to have been disinterested in the 3R Act procedures and planning processes until such time as CRC achieved real financial strength and a proven record.

The impact of the failure of the USRA FSP to persuade CS or NW to participate in the restructuring process left the subject area "captive," i.e., with rail service exclusively provided by CRC. Thus the explicit statutory goal of the FSP, that it ... "be formulated in such a way as to effectuate ... the retention and promotion of rail ... services" in the region was evaded. [See PSP, p.12, FSP, pp.198-199 (a copy of the 3R Act Section 206(a) Goals).] The combination of creation of a unified CRC system and absence of rail competitors in New York east of the Hudson River effectively foreclosed even the possibility of intramodal rail competition in that area until the instant proceeding. It must therefore be concluded that the failure of NW and CS to participate in the FSP acquisitions planned for and designated by USRA for each of those rail carrier systems led to a further reduction in competitive rail services in the eleven county region. In effect, only CRC acquired through long haul routes to/from the region.

It is pertinent that CSX's predecessor, CS, was designated in the FSP to receive many routes and services historically operated by the EL and RDG/CNJ rail companies. CS refused those offers of rail assets, and consequently, rail service in New York east of the Hudson River became, for all practical purposes, captive to CRC. [Final System Plan, Supplemental Report at 100 et seq.]

That circumstance is significant for another reason. As conditions of the PC merger, both EL and Delaware & Hudson Railway (DH) were acquired by NW. Those railroads were not merged with NW but were segregated on July 1, 1968 into an NW subsidiary, DEREKO Corporation. When EL finances were impaired by the PC merger and the impact on its eastern lines of Hurricane Agnes in 1972, EL declared bankruptcy under Section 77, a process which was reported to forecast restored financial viability for EL. That forecast was subsequently reversed in early 1975 and EL sought inclusion under terms of the 3R Act FSP procedure. By contrast, DH was able to survive financially and went into the FSP process as a proposed acquirer of certain lines and/or service rights in the region between Potomac Yard, VA and Montreal, Quebec (via Rouses Point, New York). [For a complete description of trackage rights and lines offered by USRA to DH, see FSP, p.316-17. Also, see Official Guide, D&H Freight Schedules, March-April 1981, pp.181-2.] In addition to DH, the then remaining solvent regional rail carriers, were Canadian National (CN), Canadian Pacific (CP), CS and NW.

With continued deterioration of the EL prospects and finances, NW reversed course as gracefully as circumstances permitted. As described in the FSP, NW disposed of EL after the latter became subject to the 3R Act in January 1975. DH was subsequently sold, first by NW on January 4, 1984 to Guilford Transportation Industries, Inc. and then in January 1991, by the latter to CP. DH was subsequently renamed St. Lawrence and Hudson Railway and is currently operating on former DH trackage rights over CRC.

CSX predecessor BO was also a participant in traffic which moved to and from New York and via New York to and from New England stations. BO owned and controlled the RDG which in turn owned and controlled the CNJ. CNJ was the first of the 3R Act railroads to have entered bankruptcy reorganization in 1967 following the failure of the State of New Jersey legislature to appropriate revenues to compensate the CNJ

for passenger services performed under New Jersey's authorization and supervision. [See Moody's 1967 Transportation Manual, p.652.] CNJ and RDG both enjoyed access to eastern New York by interline routes with NH (which became a part of PC in 1968) as well as via the LHR which interlined with NH via the latter's bridge over the Hudson River at Poughkeepsie, New York.

VI. The Conrail Compromise: Rationale and Application

As I have discussed above, USRA was given no alternative to the creation of CRC's monopoly by the separate rejections by CS and NW, of a multiple rail carrier system to serve New York. The effective elimination of intramodal competition between railroads in this region resulted from the acquisition by CRC of rail assets and facilities of the former EL, RDG, CNJ and LV, as well as from failure to provide another railroad access via trackage rights or other means (haulage or terminal access) to the traffic base now captive to CRC.

CRC was formed in 1976 under a forecast of the future by USRA that demanded much of the new company's management. Several problems which had plagued CRC's predecessors in a period of unprofitable service and operations had to be cured; these are discussed at length in the FSP. In short, CRC faced the need to make massive expenditures upgrading or replacing plant and equipment including rolling stock and motive power.

CRC financial results reflected these substantial burdens and, until 1980, those weaknesses and the need for further public funding by Congress continued to focus Congress' attention on CRC. Due to the statutory authority and financial requirements to make substantial capital improvements in CRC, the company was from the outset government-owned, a fact which concerned the privately held railroad competitors in the Northeast and Midwest. Congress instructed USRA to exercise oversight over CRC; USRA therefore stood between CRC and political pressures from the public, the Congress and the Federal Executive. CRC's financial needs exceeded those forecast by USRA each year during the period between 1976 and 1980.

By its passage of the Staggers Rail Act of 1980 and the Northeast Rail Services Act (NERSA) in 1981, Congress further reduced traditional economic regulation of railroads, including CRC, and charged both USRA and CRC to forecast how CRC would achieve profitability in the years 1982 through 1986. CRC reported its financial forecast for the period and USRA assisted with review of and findings that CRC's five year business plan was reasonable and likely to succeed. For example, in 1983 the USRA determined that CRC could become profitable, based upon several changes in its corporate structure and business plans, a new president, improved management, cost structure revision, transfer of commuter rail business to local authorities, contract ratemaking and accelerated plant rationalization. The combination of financial viability forecast by CRC and USRA, plus CRC's improving earnings cleared the way for CRC to become attractive for sale as an equity investment in private ownership.

VII. Rise and Role of Conrail's Short Line Connections

Under both the Staggers Rail Act of 1980 and the Northeast Rail Services Act of 1981 (NERSA), CRC was given freedom to abandon property deemed incapable of producing net revenue. These actions were stripped of the previously burdensome public interest cross-subsidy criteria which prior to NERSA had been used to govern railroad line abandonments. A significant change in the regulatory procedures governing service and facility abandonment provided for partial subsidy by those railroads or customers desiring service to be continued. Under NERSA, such costs are not limited to the prior standard of cost avoidability. Now they often included ownership, maintenance and return on investment factors which are necessary to comply with evenhanded service demands and cost coverage. In many instances, when CRC desired to avoid the costs associated with short haul and switching services, it was able to secure such services via abandonment or sale of a portion of a line to a new prospective operator. Over time sixteen separate railroad companies took over segments of CRC within New York. Thirteen short line railroad operating companies have been formed in the State since the creation of CRC in 1976. Other short line railroads which existed prior to the formation of CRC acquired portions of the CRC system within New York which that carrier chose to divest.

Shortline railroad successors to CRC in New York include:

Bradford Industrial Rail	New York & Lake Erie
Buffalo Southern	Ontario Central
Central New York	Ontario Midland
Danbury Terminal	Owego and Harford
Depew, Lancaster & Western	Tonawanda Island
Finger Lakes	Wellsboro & Corning
Mohawk, Adirondack & Northern	

Those pre-CRC short lines which acquired CRC line segments in New York since 1976 include:

- Genesee and Wyoming
- Livonia, Avon & Lakeville
- Middletown and New Jersey
- Buffalo & Pittsburgh
- New York Susquehanna & Western
- Springfield Terminal (former Boston & Maine)

An example directly relevant to an area of major concern to New York involved a longstanding route via LHR and the former NH's Poughkeepsie Bridge. The FSP supplement conveyed that route to CRC. Following a 1974 fire which closed the bridge the route was abandoned and replaced by single-line CRC routing via Selkirk (Albany) New York. In 1975-76 USRA endeavored to secure competitive access to the area immediately west of the Hudson River and beyond by the sale of rights to DH to offer through route service between connections at Buffalo, Newark and Potomac Yard. The rental payments for such rights would have been direct to CRC.

In its April 1981 Response to Section 703(c) of the Staggers Rail Act of 1980, CRC addressed three alternative scenarios involving the railroad's short-term future (5 years). The most favorable results were produced by a financial scenario which became CRC's Five Year Business Plan for the period 1982-1986, inclusive. The forecast results were based upon the Reagan Administration's national budget premises that CRC should be permitted: (1) substantial additional track abandonment; (2) reductions in labor force and changes in work rules without financial penalties; and

(3) State and/or local financial support for CRC-operated passenger/commuter services as well as for CRC lines which either lost money or were financially marginal. In the absence of these further reforms, a cessation of service and dismemberment of the CRC system were threatened. [See Options for Conrail, Conrail Response of April 1, 1981 (Letter of Transmittal, p.2).]

In many instances, during the period following the 1981 determination by USRA that CRC could achieve profitability by 1986, CRC used the relaxation of economic regulation set forth in the Staggers Act to improve its financial performance. Often those who desired a service to be maintained or initiated agreed to pay a significant portion of the cost associated with such services (and facilities). In many cases, New York State filled that role, as Mr. James Utermark explains in his Verified Statement. In other cases, threatened cessation of services by CRC prompted a new operator to acquire the facilities and operate under less cumbersome (and less expensive) work rules.

VIII. The CSX-NS Application Falls Short Of FSP Goals

As stated in Section 206 of the 3R Act, there were eight goals for the FSP (paraphrased below). The goals were to:

- 1) create through reorganization a financially self-sustaining rail service system in the Northeast and Midwest Region;
- 2) establish and maintain a rail service system adequate to meet rail transport needs and service requirements in the region;
- 3) establish improved high speed rail passenger service consonant with Secretary of Transportation's recommendations of 1971 for the Northeast Corridor;
- 4) preserve, consistent with other goals, existing patterns of service by railroads (including short-line and terminals) including other modes of transport which promote fuel efficiency and energy conservation;
- 5) retain and promote competition in the provision of railroad and other transport services in the region;

- 6) attain and maintain environmental standards, giving weight to environmental impact of alternative courses of action;
- 7) move passengers and freight in rail transport in the region in the most efficient manner consistent with safe operations (including commuter and intercity passenger services, coordination with Amtrak and public authorities); and
- 8) minimize job losses and associated unemployment and community benefits and costs in the region.

I respectfully submit that the FSP goals were not fulfilled when the FSP process itself failed to secure cooperation from competition between rail carriers in the area of concern east of the Hudson River. With the prescience which hindsight facilitates, it is now evident that the FSP as presented by USRA in the original document (July 26, 1975) as well as in its Supplement (September 1975), focused too narrowly on the profitability and efficiency of CRC to the detriment of other equally important goals. Further it reflected the intransigence of the profitable regional railroads, the predecessors of CSX and NS, to cooperate in meeting FSP goals. Because CS and NW failed to participate in acquiring rail access as defined in the FSP due to their individual financial reservations with either: (1) the price of the assets to be acquired, or (2) their liability for labor conditions and related costs under such acquisitions, the goals of the FSP went largely unfulfilled. Perhaps such caution should have been excused at the time, given the uncertain value of the railroad franchise in the Northeast and Midwest; a second and similar failure today would be completely unjustified.

Instead of establishing and maintaining a rail service system adequate to meet rail transport needs while preserving existing patterns of service by railroads, USRA recommended a system which would dilute intramodal rail competition and services in favor of one large system which would take nearly eight years to begin to achieve financial prosperity. Achieving this latter goal would require further amendment of the then applicable regulatory scheme for CRC and other rail carriers.

In New York east of the Hudson River, as well as in the Buffalo area, what was achieved in the FSP process was a financial reorganization of several regional bankrupt rail carriers, formation of an effectively anti-competitive rail environment, and foreclosure of intramodal competition. Notwithstanding CRC's remarkable success in

the period 1982-86 and subsequently, as well as the benefits of single system service and scope so often admiringly cited by the Applicants in this proceeding, these Applicants have aroused an area of concern to New York which now must be satisfied as a price partially offsetting all the other anti-social effects of monopoly railroading, which Applicants omit to mention.

Clearly the time has come for the STB to rectify the errors of the planners and participants in the Northeastern railroad rationalization and improvement exercises of the previous two decades, errors which would be continued through unconditioned approval of the CSX-NS Application.

IX. Testimony Of Witness McClellan

Joint Applicants' Witness McClellan's verified statement displays among other things his long and intimate involvement with the problems of CRC and its predecessors, PRR and NYC. Significantly, Joint Applicant NS and its Witness McClellan look with favor upon trackage rights, shared haulage and switching operations of the type sought here by New York. In an October 1995 interview by Progressive Railroads, Witness McClellan is quoted as follows:

Exclusive use of its own tracks everywhere is a luxury each railroad can no longer afford. I realize that railroads hate to share assets. It is an operating hassle, as many of my railroad colleagues say regularly... In our view tracksharing is pro-competitive. It allows NS and our railroad partners to stay in low-volume markets that one or more railroads would otherwise have to exit. [Progressive Railroads, "Managing Capacity for Growth", October 1995, pp. 45-49. Quotation is from p.45 "The NS View of Track Sharing", Letter from Witness McClellan.]

Although I agree wholeheartedly with this McClellan view, he has others which I regard with less enthusiasm. For example, he asserts that while the FSP as designed by USRA "would not have produced a totally balanced northeastern rail system, it would have maintained the rail competition that did exist at the time." [McClellan VS, p.5.] I believe this conclusion is factually erroneous, though it may serve NS' present interest. At the time of the FSP exercise, Witness McClellan was a member of the USRA planning staff which was relatively removed from the pressures of the

USRA planning staff which was relatively removed from the pressures of the marketplace. After completing his service on the FSP he resumed his career in the railroad industry, principally in the NS and its predecessor Southern Railway (SOU). His critique of the original FSP proposal, which is refuted by the excerpt I have extensively quoted previously, may be colored by this limited vantage point.

Witness McClellan testifies that when CS failed to participate in the FSP goal of competitive rail service, an alternative was proposed which comprised two systems; (1) "big CRC" comprised of PC and AA and (2) MARC/EL, which included the residuum of other bankrupt railroads in the region. This second system was intended to provide, at least partially, for maintenance of rail intramodal competition, but USRA did not support this alternative scheme due to the risk that neither of the competitor systems was likely to survive financially.

As Witness McClellan points out, DOT during the 1970's was pursuing a different plan for rationalization of the northeastern railroads. This is significant because the Secretary of DOT was also a member of USRA's 11 member Board of Directors [See 3R Act Sec. 201(d) in FSP, p.195] and USRA had, in addition to its other duties, a responsibility to review and comment upon DOT's early (30 days after the January 1974 enactment of the 3R Act) report on rail services in the Northeastern and Midwestern region. In making his report, the Secretary of DOT was to publish his conclusions and recommendations with respect to rail service in the Northeast and Mid West.

In his February 1974 report, the Secretary of DOT framed several recommendations to aid USRA in its efforts. Critical to the direction of the report are the conclusions with respect to maintenance and enhancement of rail competition. Note the process of reasoning displayed in the conclusions of the Secretary's report, which I quote verbatim:

- Fundamental consolidation and restructuring of region's rail industry required to realize public policy goals;
- major benefits to be realized will be (1) improved capital productivity and viable financial base for regional rail industry and (2) higher quality rail service for entire region;

- to improve productivity, existing duplicative and underutilized individual railroad mainlines in the region should be consolidated into a high volume, upgraded network;
- to maintain and enhance rail competition and improve operating efficiency within the region, the region's railroads should share facilities and coordinate operations over the high volume network;
- local rail services should be fulfilled generally by a single rail carrier with direct rail service to give the rail mode a viable economic base and support effective intermodal competition;
- existing highly duplicative feeder and local service network used to provide local rail services should be streamlined by abandonment of financially non-viable rail facilities. [See Rail Service in the Midwest and Northeast Region, Secretary of Transportation, February 1, 1974, pp.2-3.]

Further, in addressing rail competition and the restructuring process, the Secretary set the framework of the debate which ensued. The framework reflects the then extant industry profile where most freight traffic was interchanged between rail carriers while shippers had the commercial right to specify how their shipments were to be routed within the national railroad network. [See Op. Cit. pp.12-13.]

The Secretary also stated that, under the private enterprise system in this country, balanced competition is vital to regulate efficiency and safeguard the public interest. Competition was then defined by the Secretary as having two aspects: (1) short hauls and light traffic density markets should be served by intermodal competition between rail and motor carriers; (2) high traffic volumes and relatively long rail haul markets should [of themselves] promote rail intramodal competition so that the following results obtain.

At the local service level, rail services should... be consolidated so that service is provided by only one railroad. On the mainlines, inter-railroad competition should generally be maintained for direct service between the region's major traffic generating centers. In certain areas, this competitive service may be provided over the same right-of-way. [Ibid., p.14.]

The predisposition of the Secretary and DOT staff to limit the application of the 3R Act analysis process to large traffic producing markets and simplification, i.e. non-inclusion of surplus rail lines connecting market or sub-market pairs, set the stage for much of USRA action during the balance of the planning period (February 1974 through February 1976).

Joint Applicants' Witness McClellan masks how the DOT restructuring initiative thus skewed or confused the attention of all concerned parties in the region, most especially those in the affected area of New York.

Indeed, the identity and scope of the predecessors of each Joint Applicant changed during the 1970s and 1980s. Chessie System was a consolidation of Chesapeake & Ohio (C&O)/BO/Western Maryland followed by Seaboard Coast Line (SCL) absorption of Louisville & Nashville (L&N). The resulting combination of those merged railroads resulted in CSX, an effective merger of CS and SCL, plus RF&P, which CSX purchased. Similarly, NW and SOU merged to form NS during the same period. Both of these interregional consolidations were congruent with the Secretary's recommendations in the 1974 Report.

Witness McClellan favors the USRA/DOT methodology selectively. For example, when describing the Joint Application process as it relates to existing interchanges between each Joint Applicant and CRC, line segments are assigned either to one or the other of the acquirors. Where the Joint Applicants could not agree on the process of acquisition (which railroad should acquire and operate CRC assets), CRC facilities are treated as Shared Assets, e.g. the CRC/Amtrak line in the Northeast Corridor, between Philadelphia and northern New Jersey/metropolitan New York to which each Joint Applicant will have access.

Witness McClellan is focused on what he regards as the next step in a planning and operating process in which he has been a participant since the PC merger in 1968. Now, nearly 30 years later, however, he seeks to avoid any problems of omission in the antecedent proceedings and events which left much of New York with single rail carrier access, especially that area east of the Hudson River. By failing even to mention the captivity to CRC which resulted from the USRA/DOT analysis and

planning efforts, it appears that neither Joint Applicant is interested in enhanced access or intramodal rail competition by another rail carrier in those market segments.

As Witness McClellan testifies, CRC has access to some very substantial markets, of which New York City is cited as the only example. That would appear to be the case no matter who is permitted to acquire CRC. What is important is to relieve the captivity of the New York area where CRC possesses a real monopoly on rail access and services. Since both NS and CSX have joined in their Application for Joint Control, neither can be expected to restore rail intramodal competition in this market area. CRC, it should be remembered, will disappear and leave the market captive to the Joint Applicants unless New York secures the right to select another rail carrier to serve this important market. [McClellan VS, p. 23.]

Given the pervasive nature of the Joint Applicants' predisposition to continue things as they are, it would appear that New York's public interest in restoring rail intramodal competition can only be achieved by having the STB accept and grant a petition for New York to name another rail carrier in the area where competitive rail freight service has been missing since the failure of the PC merger resulted in the formation of CRC.

X. Testimony of Witness Hoppe

Witness Hoppe, like Witness McClellan, was intimately involved in the USRA planning process as he recounts in his verified statement. [See Hoppe VS, pp. 13-16.]

Of particular significance is his discussion of how USRA devised the FSP recommendations and the immediately subsequent reactions by potential designees which led to the failure to achieve USRA's goals in drafting the FSP. The central issue, as Witness Hoppe states in his testimony, represents a case where "the best is the enemy of the good," i.e., a Unified Conrail had the best financial forecasts, but an eastern rail system with three rail carriers (CRC, CS and NW) would provide the optimum long-term solution. As Witness Hoppe sees it:

Many on the USRA staff expected that [unified] Big Conrail would be at best an interim solution, and that after it was turned around the need for competition might require future changes in the structure; the possibility

of future restructuring was accordingly provided for in the FSP. [Hoppe VS, pp.15-16.]

When CS was unable to reach economically viable labor agreements with employees serving the lines which CS was recommended to acquire, the result was a foregone conclusion. Creation of "Unified" or "Big" Conrail resulted in an almost complete Conrail monopoly on rail freight service northeast of a diagonal line drawn between Buffalo and Philadelphia. Thus, the absence of competition was not preferred; it was the default solution. [Hoppe VS, p.16.]

I submit that for Witness Hoppe and other senior members of USRA staff, the issues propounded in the 3R Act were among themselves difficult to rationalize. As he states:

[t]he preferred solution, then, was not a Conrail of the shape and size as we know it today or a rail monopoly in all of New York except the area immediately around Buffalo, but a system under which there would be competitive access to the New York City area both from the north and west, via Philadelphia, Reading, Harrisburg and points west and south. [Hoppe VS, p.14.]

Further, USRA, while favoring maintaining effective competition in the Northeast as its recommendations in the PSP and FSP suggest, in the end gave greater weight to CRC's need for funds in the future. The rationale of USRA was simply that CRC self-sufficiency was paramount to maintaining competition. The bankrupt railroads in the Northeast and Midwest Region were reported by USRA to be losing a million dollars daily during the period when USRA was preparing its PSP and FSP report in 1975. As Witness Hoppe states:

that fact alone, no doubt, decreased the enthusiasm of any potential solvent buyers. Turning CRC around was going to be difficult enough, without the further loss of revenues or introducing inefficiencies due to duplication. [ibid.]

I believe that the statement just quoted from Witness Hoppe fails to comprehend the impact of continuing restructuring of the regulatory scheme under which CRC was

conceived and formed initially. It is ironic that the acquisition of CRC assets in the FSP proposals would likely have cost the acquirors much less than they now propose to expend.

Witness Hoppe left USRA after the adoption of the FSP and the formation of CRC in 1976. After the passage of the Staggers Act in 1980, as a consultant to CRC, he directed the consultant's review and support of CRC's analysis in 1980-81 of three options for CRC, as required by the Staggers Act.

CRC and Mr. Hoppe recognized that the substantial federal investment expended on restoration and maintenance of CRC's fixed plant between 1976 and 1980 might not be recovered through the process of selling CRC lines and other assets to prospective railroad entities. Further, as Witness Hoppe states, in 1981 there were strong possibilities that CRC, even after achieving financial strength, would be sold to one or more of the emerging interregional rail carrier networks. As the 1981 Options for Conrail Report demonstrates, the consultant studies undertaken in respect of satisfying the requirements of the Staggers Act considered, inter alia, the impact of selling CRC lines to others under the Staggers Act alternatives to CRC achieving self-sufficiency. Traffic flow analyses using historical ICC One Percent Waybill Data resulted in identifying two prospective acquirors of CRC assets, CSX and NS. That transaction resembled what the Joint Applicants seek in the present proceeding, e.g. CSX to acquire what was characterized as "Conrail North" and NW to acquire what was characterized as "Conrail South" [See Options for Conrail, Conrail's Response of April 1981, pp.11-4 through 11-7.]

I believe that Witness Hoppe is accurate in his statement that:

[t]he two "packages" proposed in "Options" thus had a considerable resemblance to the division of CRC now proposed in the Application.
[Hoppe VS, p. 18.]

I do not, however, share his conclusion that such a split of CRC would satisfy the goal of maintaining or enhancing competition in the region of New York where no enhancement mechanism has been devised to cure the present CRC monopoly or the resulting CSX monopoly after the proposed transaction.

The principal flaws in Mr. Hoppe's testimony are his omissions. For example, it would have been reasonable to suppose, given Mr. Hoppe's experience as Chief Executive of The Long Island Rail Road, that he would by now have been sufficiently aware of the concerns not only of that railroad, but also of the community it serves, to appreciate the public interest shortcomings of a grand eastern railroad configuration which physically terminates virtually all freight trains serving the largest US metropolitan region in locations which necessarily generate hundreds of millions of avoidable truck-miles to link railroad facilities with those of railroad customers, actual or potential. The adverse consequences of such a policy are summarized in Table 2, which identifies (1) the annual volume of Trans-Hudson truck trips, (2) the estimated costs of the congestion generated by such trips, and (3) the tons of pollutant by which those trips pollute the surrounding air.

XI. The Need For Effective Rail Intramodal Competition in New York East of the Hudson River

In addressing this topic, I am struck by the failure of witnesses for the Joint Applicants even to acknowledge that Metropolitan New York City has not been the beneficiary of maintaining, much less enhancing rail intramodal competition in the formation of CRC and afterwards.

With the bankruptcy of all the railroads which competed with PC in this area, the destruction of the independence of the NH by its merger into PC, and the elimination by CRC of lines and routes which it regarded as duplicative and uneconomic, rail intramodal competition has been removed in the region between Albany and Long Island/Metropolitan New York.

The only one of the previously existing rail competitors is the LIRR, which interchanges with CRC at Fresh Pond Junction on Long Island. The FSP failed to recommend, even as an alternative to its principal recommendations, that LIRR be granted the right to serve shippers and receivers on the CRC line on the east shore of the Hudson River. Had it been granted such rights, the resultant interchanges would

Table 2

Congestion and Environmental Impacts of Truck Traffic
Resulting From Termination of Rail Freight Service
on the West Shore of the Hudson River

Year	Annual Trans-Hudson Bi-Directional Truck Crossings (1) (000)	Total Congestion Cost (2) (\$ 000)	Total Pollutant Emissions (3) (000 Gal.)		
			Nitrogen Oxide	Hydro Carbons	Carbon Monoxide
1985	15,707	\$7,259	169,797	33,928	176,237
1986	16,082	7,433	173,845	34,737	180,439
1987	16,248	7,509	175,641	35,096	182,302
1988	19,993	9,240	216,123	43,185	224,320
1989	16,250	7,510	175,660	35,100	182,323
1990	15,911	7,353	171,995	34,367	178,518
1991	15,198	7,024	164,289	32,827	170,520
1992	15,366	7,102	166,104	33,190	172,404
1993	15,564	7,193	168,246	33,618	174,628
1994	16,320	7,543	176,422	35,252	183,113
1995	20,309	9,386	219,544	43,868	227,671

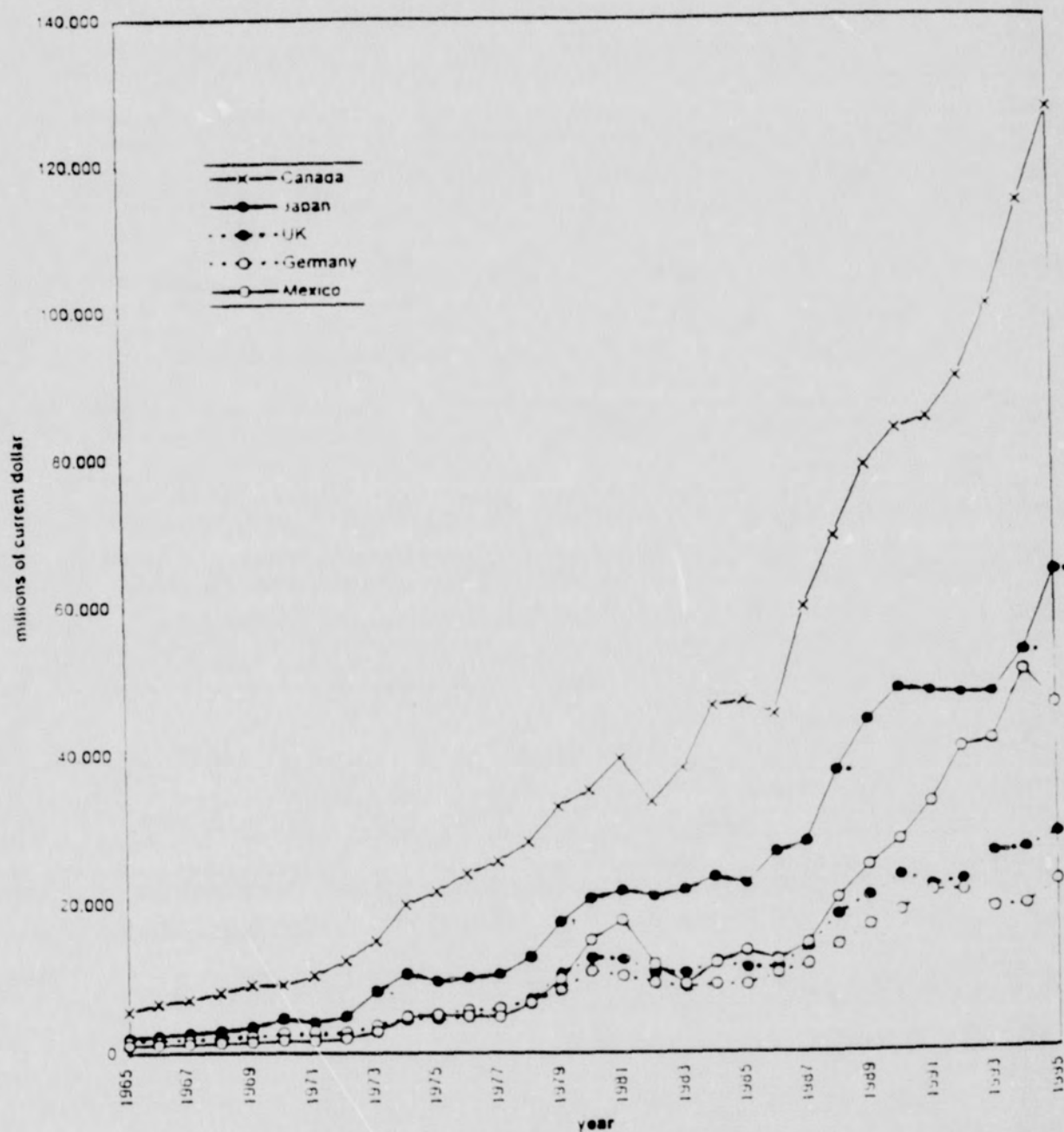
- (1) Source: New York Metropolitan Transportation Council. Includes Kingston-Rhinecliff Bridge, Mid-Hudson Bridge, Newburgh-Beacon Bridge, Beer Mountain Bridge, Tappan Zee Bridge, George Washington Bridge, Lincoln Tunnel, and Holland Tunnel. Assumes each crossing one mile long.
- (2) Source: Statistical Abstract of the United States, 1995. Based on the 1990 average congestion cost per vehicle mile for the New York City Metropolitan area estimated by the Texas Transportation Institute.
- (3) Source: U.S. Environmental Protection Agency. Based on heavy-duty diesel vehicle emissions in urban area.

have permitted designated rail carriers to interchange with potential through route partners such as the former DH. New York's current trackage rights proposal at last would remedy this longstanding deficiency.

Further changes in the traffic mix and volume of the region's rail carriers have, of course, continued since 1976. Notwithstanding, it is now even more essential to restore viable direct rail competition in the region of New York between Albany and the New York metropolitan area, plus Long Island. The dramatic increase in north-south trade and traffic which has occurred since the passage of the North American Free Trade Agreement (NAFTA), are illustrated by Charts A and B, showing, respectively, the growth of US exports and imports to and from our principal trading partners. Most striking on these charts is the substantial surge in the value of trade with Canada since NAFTA. But the vast preponderance of traffic growth corresponding to the trade increase has moved by motor carrier, with the increase in bi-directional truck crossings between eastern New York on the one hand and Ontario and Quebec on the other, amounting to 48.7 percent in the period 1984-95, whereas corresponding rail traffic rose only 18 percent during those years. [Parsons Brinckerhoff et al, "Trade and Traffic Across the Eastern US-Canada Border", Eastern Border Transportation Coalition, Youngstown, NY, May 1997.] Rail movements between Canada and the US in 1995 amounted to 45 million metric tons southbound and 12 million metric tons northward, as Table 3 shows. These data collectively suggest the untapped potential for traffic development on the routes as to which New York wishes to spur the growth of rail use, a growth which, in my view, can best be stimulated by the introduction of now absent competition.

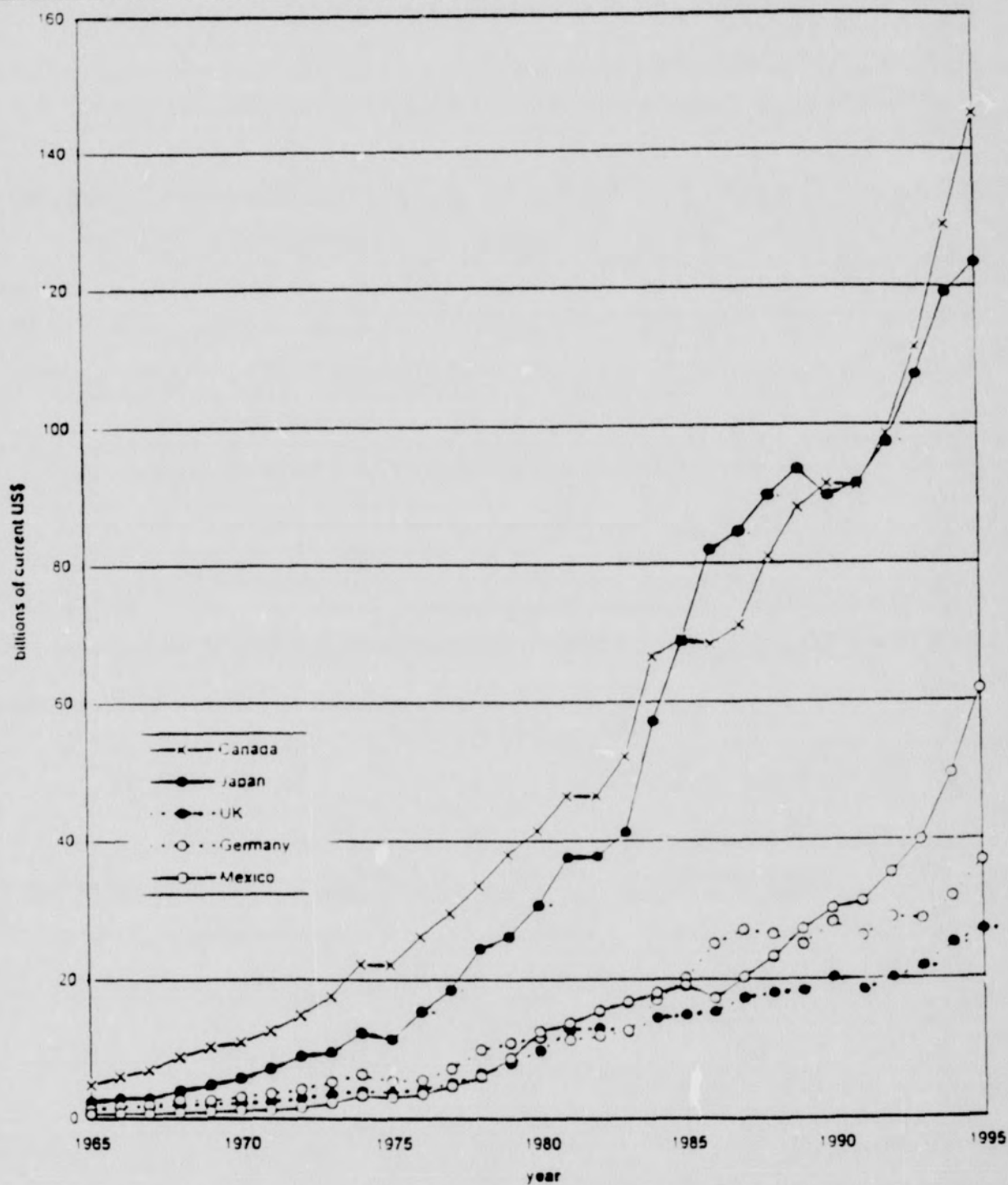
The commodity flows inbound to New York east of the Hudson River include two groups which are significant in terms of Canada - US trade under NAFTA. Those commodities are newsprint and related paper products in bulk and lumber, in both dimensional sizes and plywood sheeting (principally used in construction activity). Such goods are not stored in large quantities near the markets in which they are consumed. Instead their transportation is analogous to a pipeline in which discrete amounts of product flow between point of production and point of consumption. Thus the necessity exists that rail transportation of these commodities in multiple carload lots be regular and dependably scheduled. Given the interline nature of the flows,

Chart A
US Export of Merchandise to Selected Countries
(in millions of US\$)



Source: Statistical Abstract of the United States.

Chart B
Growth of US Imports from Selected Countries
(in billions of US\$)



Source: Statistical Abstract of the United States.

Table 3

Rail Movements Between Canada and The United States

Metric Tonnes (000)		
Year	Canada to US	US to Canada
1977	28,267	8,879
1978	30,074	9,189
1979	31,019	10,079
1980	31,301	8,927
1981	28,577	8,178
1982	23,562	5,787
1983	25,609	6,360
1984	27,822	6,837
1985	N/A	N/A
1986	N/A	N/A
1987	27,334	6,772
1988	28,896	7,706
1989	29,177	8,058
1990	29,824	8,454
1991	30,639	7,924
1992	35,112	8,782
1993	39,025	10,735
1994	42,895	11,757
1995	44,840	12,117

Data represents CN and CP traffic only.

N/A = Not available for this table.

Source: Statistics Canada.

CRC has traditionally resisted what it regarded as a short haul between Canadian rail connections and destinations in the Albany/New York metropolitan area served exclusively by itself.

XII. Reaching the FSP Goals In the Contemporary Environment

I have cited the positive attitude which Joint Applicants Witness McClellan appears to hold toward trackage rights, including sharing of terminal and haulage services. One of the principal benefits to be gained by joint use of one carrier's track and roadway by two (or more) users is the resulting enhancement of competition and asset use. By avoiding unnecessary investment in duplicative facilities and structures, scarce capital assets can be conserved or deployed elsewhere for higher return on investment.

New York's Witness Utermark in his Verified Statement of October 1, 1997 identifies both the track segments and points via which New York seeks to select a third rail carrier to provide rail competition. With respect to rectifying the errors inherent in the FSP process and to fulfill the FSP goals to enhance and maintain then-existing rail intramodal competition, New York must be granted the right in this proceeding to name a third party rail carrier to provide such competitive access and services east of the Hudson River, including Metropolitan New York City and Long Island.

I respectfully urge that the Board so condition its order in these proceedings.

Appendix A

Qualifications
of
Robert L. Banks

Chief Executive of R.L. Banks & Associates, Inc. Mr. Banks is a professional transportation analyst and economist. He is a Phi Beta Kappa graduate of Columbia University and was a Fellow in Transportation at Yale University Graduate School where he specialized in studies of transportation operations, accounting and statistics.

Mr. Banks, the founder of the firm, has acted as a policy advisor and technical analyst for numerous carriers of all modes, industries, financial institutions, governmental entities and trade associations, and has directed over 1,000 studies during the past 40 years, in the U.S., Canada and overseas, relating to all aspects of transportation: traffic, revenues, operations, costs, economics and finance. In addition, he has participated in many negotiations with railroads concerning rates, services and line acquisitions, and has been a witness in many cases involving railroad merger and structural reorganization. He is a certified member of the American Society of Transportation and Logistics, Inc., a member of the American Economic Association, of the National Association of Business Economists, of the Transportation Research Forum and of the American Association of Railroad Superintendents. He has been Associate Professor of Transportation at Southeastern University and has testified before several Congressional committees. He has also appeared as an expert in numerous proceedings before the Interstate Commerce Commission, the Canadian Transport Commission, two Canadian Royal Commissions on Transportation, and state and local regulatory commissions, and has participated in arbitration proceedings as a member of an arbitration panel.

Prior to establishing the firm, Mr. Banks was with the Department of the Air Force as an Industrial Specialist in Transportation. In this capacity he conducted classified analyses of capacity and demand for rail and highway transport in various foreign countries, and before that was a staff member of the Civil Aeronautics Board. His CAB assignments included studies of the impact of government subsidy upon carrier management and proposed services.

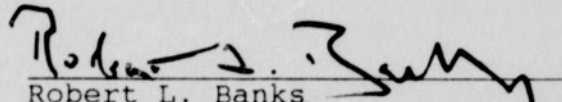
Mr. Banks began his career with the Traffic Department of the New York Central System. During his Army service, Mr. Banks was a Transportation Officer of the U.S. Military Government in Germany.

Mr. Banks is the author of many published articles on a wide range of transportation subjects; he has been frequently quoted on transportation subjects in The New York Times, The Wall Street Journal and other publications.

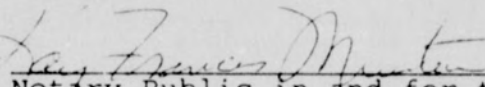
Verification

District of)
) ss:
Columbia)

Robert L. Banks, being duly sworn, deposes and says that he has read the foregoing Statement, knows the contents thereof, and that the same are true as stated to the best of his knowledge, information and belief.


Robert L. Banks

Subscribed and sworn to before
me this 24th day of October,
1997:


Notary Public in and for the
District of Columbia

My Comm. expires January 1, 1998

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10-21-97

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VERIFIED STATEMENT
OF
STEPHEN D'ARRIGO

My name is Stephen D'Arrigo, and my business address is 315 New York City Terminal Market, Bronx, New York. I am Chief Executive Officer of D'Arrigo Bros. Co. of New York, and Chairman of the Traffic Committee of the Hunts Point Market Board.

The Board represents 67 fresh produce wholesalers and jobbers in business at the Hunts Point Market in The Bronx. Fresh produce is received at the Market for resale distribution to grocery chains, vendors and other fruit and vegetable retailers throughout the New York City Metropolitan Area and surrounding counties. Produce handled through the Market originates at growers' gathering points throughout the United States, as well as in Canada, Mexico, South American, South Africa, Europe and Australia. Annually, Hunts Point members distribute over 1.5 million tons of produce, generating over \$1.5 million in local economic activity.

Due to the perishable nature of fresh produce and the long distances that shipments to Hunts Point must travel, transportation service quality and cost play a critical role in our members' ability to compete with major wholesale produce markets in Philadelphia and Newark, New Jersey, and wholesale chain warehouses in Northern New Jersey. Deliveries must be timely and predictable; a missed or delayed shipment one day cannot be simply made up by a double shipment three days later. Likewise, transportation charges must be responsive to the

constant changes in supply and demand resulting from weather conditions, seasonal customer preferences and other factors. If not, our members' already thin margins will be squeezed further by oversupply, a problem every bit as harsh as shortage.

The Hunts Point Market opened in 1967. At its inception, the market relied on rail as the most cost-effective mode for transporting time-sensitive produce, receiving upwards of 20,000 inbound refrigerated railcars annually through Maybrook and Selkirk, NY and the Harlem River Yard. Over the years, however, as the number of major railroads serving New York dwindled to a single carrier -- Conrail -- increasing transit delays, service quality inconsistencies and rising rate levels forced the diversion of more and more inbound traffic to over-the-road trucks. Today, rail (including boxcars and piggyback) accounts for about 35-40% of the Market's inbound shipments, including about 2400 refrigerated boxcar loads and 18,000 piggyback carloads each year. In contrast, some 250 truckloads are delivered to our docks each day over city streets that already experience high traffic concentration levels.

Under their plan for the division of Conrail, CSX and Norfolk Southern propose that CSX would operate the Conrail properties and operating rights on the Hudson Line, which serves Harlem River Yard and Hunts Point from the western gateways via Selkirk. The Market would swap Conrail for CSX as the sole provider of rail service. At this point, it is too soon to tell if this change -- standing alone -- could have any positive

impact on rates and service such as might allow us to reduce our reliance on the army of trucks that strain Bronx streets every day en route to the Market. Another aspect of the CSX/Norfolk Southern plan, however, does pose a direct and immediate threat to our members' businesses.

While Conrail's monopoly on rail service to New York City and Hunts Point would pass intact to CSX, I understand that Conrail-served terminals in Northern New Jersey, Newark and Philadelphia will be opened to competition as "shared asset areas," to be served by both CSX and Norfolk Southern. Where previously our members and their New Jersey/Philadelphia competitors were all at the mercy of a single railroad, under the CSX/Norfolk Southern plan the New Jersey/Philadelphia markets will enjoy new, rail-to-rail competition. I have spent 50 years in one of the most competitive lines of business in the East, and I know from experience that having a real choice of vendors leads directly to lower prices and better service. Under the carriers' plan, I see these benefits going to our Market's competitors, but not to us, with the predictable result that their market shares will grow at our expense.

The State of New York and the New York City Economic Development Corporation are proposing to address this imbalance by asking the Board to grant trackage rights to a second rail carrier, not affiliated with CSX or Norfolk Southern, to provide freight service on the Hudson Line in competition with CSX. The Hunts Point Market and its members strongly support this

condition, which at least would level a playing field that otherwise will be tilted artificially in our competitors' favor. Moreover, to the extent that competition on the Hudson Line produces rates and service levels that lead to diversions back from motor carriers, public health and safety will benefit further from a reduction in truck traffic in a congested urban area.

Verification

City of New York)
)
) ss:
)
Borough of The Bronx)

Stephen D'Arrigo, being duly sworn, deposes and says that he has read the foregoing Statement, knows the contents thereof, and that the same are true as stated to the best of his knowledge, information and belief.

Stephen D'Arrigo

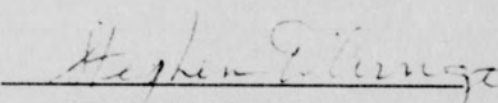
Subscribed and sworn to before
me this ____ day of October,
1997:

Notary Public in and for the State
of New York

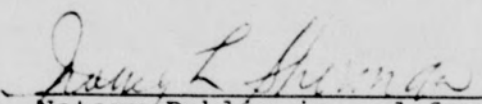
VERIFICATION

CITY OF NEW YORK)
) SS:
BOROUGH OF THE BRONX)

STEPHEN D'ARRIGO, being duly sworn, deposes and states that he has read the foregoing Statement, knows the contents thereof, and that the same are true as stated to the best of his knowledge, information and belief.


STEPHEN D'ARRIGO

Subscribed and sworn to
before me this 15th day
of October, 1997


Notary Public in and for the
State of New York

IRVING L. SHERMAN
Notary Public, State of New York
No. 63-69579-0
Qualified in Bronx County
Commission Expires July 31, 1998

VERIFIED STATEMENT
OF
ALAN FIRESTONE

My name is Alan Firestone, and my business is 210 Miller Place, Hicksville, New York. I am President of Firestone Plywood Corp., a distributor of plywood and plywood products to furniture makers, toy manufacturers, display structure manufacturers, builders and other wood component users in New York City, on Long Island, and throughout the NY/NJ/Connecticut metropolitan area.

I am making this Statement in support of the State of New York's request for a trackage rights condition on Board approval of the planned division of Conrail between CSX and Norfolk Southern. The requested rights would bring service by a second rail freight carrier over the Hudson Line from Albany/Selkirk through Poughkeepsie to the Long Island Railroad/New York & Atlantic interchange at Fresh Pond, NY.

Our company receives shipments of inbound plywood and particle board at our Hicksville facility. In most cases, the product is received f.o.b. destination, with transportation costs included in the price that we pay to the shipper. Our potential product sources are geographically varied; we have purchased plywood from suppliers in Canada, Mexico, the Midwest and the West Coast, as well as more local Eastern vendors. In all cases, however, the focus is on delivered price. Our business is highly competitive, and if our product costs are higher than our Northern New Jersey and other rivals' costs, our family business suffers.

For many years, the majority of inbound plywood shipments

moved by rail, from western and Canadian sources through gateways to Conrail (such as Albany/Selkirk) and, ultimately, to the for delivery to Hicksville. Traffic would be interchanged to Conrail by different carriers, depending upon the origin, and LIRR's delivery terms basically were fixed. The movement and its pricing, therefore, effectively was controlled by Conrail. Gradually, the lack of competition for Conrail's service led to complacency on the part of the carrier, as rail transportation costs to our suppliers drifted upward. The result was higher delivered prices for Canadian and western plywood moving by rail, and a near total shift by Firestone to truck-served sources in the East. Today, we receive approximately 500 truckloads of plywood and particle board at Hicksville each year. The rail equivalent, if that service was available at a reasonable, competitive cost, would be 200-250 carloads.

Conrail's apparent disinterest in offering competitively priced rail service for shipments from Canadian and western sources has had the effect both of increasing our overall product costs, and limiting the number of suppliers that realistically we can choose from in meeting our needs. The proposal by CSX and Norfolk Southern to divide Conrail between them, however, raises another, even more serious risk to our company.

As I noted, our business is highly competitive. Many of our competitors are based across the Hudson River in Northern New Jersey. As I understand their plan, CSX and Norfolk Southern propose to share use of the Conrail lines in Northern New Jersey.

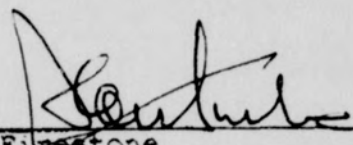
However, CSX alone would operate the Conrail lines on the east side of the Hudson. If this plan is approved, our New Jersey competitors will gain new access to the services of two rail carriers, while we remain dependent on a single system. The consequences, I believe, are not hard to predict: the availability of competitive rail and well as truck service will increase significantly the source competition enjoyed by our rivals. This, in turn, would lower their delivered product costs and tip the market balance in their favor, at our expense.

If the Board decides to approve the CSX-Norfolk Southern plan, it should make sure that shippers such as Firestone located east of the Hudson River are not harmed as a result. The best way to do this would be to give us access to the same competitive rail transportation opportunities being granted to our North Jersey counterparts. The State of New York's proposal would allow a second rail carrier to obtain trackage rights over the Hudson Line via Poughkeepsie, to compete with CSX for freight traffic to and from New York City and Long Island. Firestone Plywood Corp. supports this proposal as an effective way to restore an even playing field for New York metropolitan area rail shippers. On behalf of my company, I urge the Board to approve it.

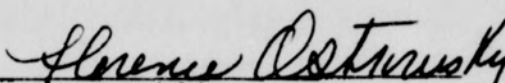
VERIFICATION

STATE OF NEW YORK)
)
) ss.
COUNTY OF NASSAU)

Alan Firestone, being duly sworn, deposes and says that he has read the foregoing Statement, knows the contents thereof, and that the same are true as stated to the best of his knowledge, information and belief.


Alan Firestone

Sworn and subscribed
before me this 6th
day of October, 1997


Notary Public

My Commission expires: 8/31/98

FLORENCE OSTROWSKY
Notary Public, State of New York
#4640763
Qualified in Nassau County
Commission Expires August 31, 1998

VERIFIED STATEMENT
OF
JIM CHRISTIE

My name is Jim Christie and I am employed by USA Waste Services Co. (USA Waste) as Regional Vice President, Transfer Systems for the Atlantic Region. My business address is 111 Paterson Avenue, Hoboken, New Jersey 07030. Prior to joining USA Waste in 1994, I was employed in a similar capacity by Browning-Ferris Industries.

USA Waste engages in the collection, processing, and disposal of municipal solid waste (MSW-STCC No. 40291 14) in numerous regions throughout the United States, including the New York City Metropolitan Area. Because the New York City area lacks facilities for the disposal of much of the region's MSW, it must be transported long distances in interstate commerce to disposal sites in such states as Illinois, Georgia and Virginia. Under our current contracts, USA Waste handles approximately 5,000 tons of MSW daily throughout the New York City area.

Much of the MSW shipped by USA Waste from New York City moves to landfills that we own or control in Virginia. Because of the volumes and distance, MSW is ideally suited to railroad service where reasonably direct access is available. At present, we move about 1500 tons of MSW per day by rail in sealed containers, 4 to a flatcar, from the Harlem River Yard in the Bronx. The traffic moves via Conrail through Selkirk, NY to Hagerstown, MD, for interchange to and delivery by Norfolk Southern to our rail-served facility in southwestern (Amelia

County) Virginia. Alternatively, we can ship MSW via Conrail and CSX to a landfill in southeastern Virginia, though that site is some 2 miles from the rail yard which means higher costs for destination transfers.

Since its creation in the mid-1970s, Conrail has enjoyed a monopoly over railroad services to and from points on the east side of the Hudson. In many cases, the Conrail monopoly has created problems for MSW shippers, some of which are well summarized in some of the verified statements filed with the ICC in Docket No. Ex Parte No. 346 (Sub-No. 36), Rail General Exemption Authority -- Exemption of Non Ferrous Recyclables and Railroad Rates on Recyclable Commodities. They include high charges, lack of equipment, indifferent service, etc. For its part, USA Waste has managed to avert many of these problems through contracts negotiated with Conrail and its connections. Regrettably, however, the Applicants' proposal for the division of Conrail will give rise to significant new transportation problems for USA Waste, particularly with respect to our MSW shipments originating in the Bronx.

While Conrail is a monopolist, it is neutral when it comes to joint line shipments involving CSX or NS. The limits of Conrail's system leaves a reasonably long haul for each destination carrier, which in the past has enabled us to secure generally satisfactory rates for our shipments. Under the CSX-NS plan to divide Conrail, however, CSX alone would take over Conrail operations on the east side of the Hudson River,

including service from Harlem River Yard. Once CSX becomes the originating carrier, our options to use NS will be severely curtailed as CSX will favor its long hauls to the detriment of NS and, ultimately, our transportation costs. A CSX long-haul, which is the only service that that carrier has been willing to discuss with us, would leave NS with only a 60-mile haul (from Petersburg, VA) to our Amelia County site. Apparently believing that any rate they quoted would only be used as a "stalking horse" to influence CSX rates to the southeastern Virginia landfill, NS will only offer us rates that equalize or exceed its revenues on the current haul from Hagerstown. When added to the quoted CSX origin rates, this raises the cost of our use of the Amelia County facility to a level that threatens to eliminate the option altogether once our current contract expires. Thus, already we see the Applicants' proposal further restricting the limited options available to rail shippers on the east side of the Hudson River. In a truly competitive environment, I believe that transportation companies become responsive to the customers' needs. We see this daily in our utilization of motor carriage, which is highly competitive.

The high value which USA Waste places upon competitive rail service is the reason we support the proposal of the State of New York to make rail competition a reality on the east side of the Hudson River. A second freight carrier originating traffic east of the Hudson will enable us to access long-haul NS service via its new trackage agreement with the CP Rail System to our

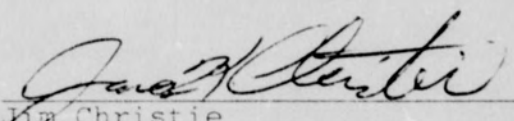
Mid-Atlantic landfills, and obtain the benefits of true competition between CSX and NS. We are confident that we will make increased use of rail service when it is offered in a competitive environment.

By the same token, we are extremely apprehensive over the impact that new rail competition on the west side of the Hudson River, which the Applicants propose, will have on our business. USA Waste competes vigorously with other waste companies who will be in the new "shared asset region" proposed by the Applicants for the Northern New Jersey area. The failure to provide for competitive service on the east side of the Hudson both will deprive USA Waste of the benefits of rail competition, and will confront us with competitors upon whom the Applicants have bestowed new rail alternatives. As a major rail shipper with a direct stake in the future of Conrail's lines, USA Waste urges the Board to adopt the proposal of the State of New York to provide competitive rail service to shippers on the east side of the Hudson River.

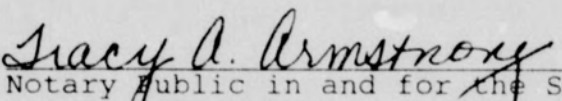
Verification

State of New Jersey)
)
) ss:
)
County of Monmouth)

Jim Christie, being duly sworn, deposes and says that he has read the foregoing Statement, knows the contents thereof, and that the same are true as stated to the best of his knowledge, information and belief.


Jim Christie

Subscribed and sworn to before
me this 20th day of October,
1997:


Notary Public in and for the State
of New Jersey
Attorney-at-Law in the
State of New Jersey

VERIFIED STATEMENT
OF
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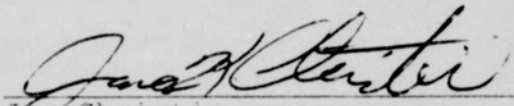
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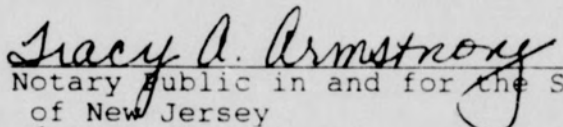
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Jim Christie

Subscribed and sworn to before
me this 20th day of October,
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Notary Public in and for the State
of New Jersey
Attorney-at-Law in the
State of New Jersey

BEFORE THE
SURFACE TRANSPORTATION BOARD

CSX CORPORATION AND CSX	)	
TRANSPORTATION, INC., NORFOLK	)	
SOUTHERN CORPORATION AND	)	
NORFOLK SOUTHERN RAILWAY	)	
COMPANY -- CONTROL AND OPERATING	)	
LEASES/AGREEMENTS -- CONRAIL, INC.	)	
AND CONSOLIDATED RAIL CORPORATION	)	

Finance Docket No. 33388

ARGUMENT

This proceeding is unique in the modern era. Unlike virtually every railroad merger or control proposal brought before the Board and its predecessor in recent decades, this case does not focus on the questions whether and to what extent a planned consolidation of two (2) or more carriers will eliminate competition between them. In this proceeding, the Board and the public face a proposal by two (2) dominant forces in eastern rail transportation to divide between them the assets of the only other, major market participant -- a railroad which itself holds a virtual monopoly over rail service to, from and within the Northeast.

In addition to their proposed division of Conrail, CSX and NS also seek approval under 49 U.S.C. §11323, et seq. of their negotiated plan to allow potential rail competition to arise in selected "Shared Assets Areas" and joint service facilities. This, too, is without recent precedent: the scope and

impact of competition in these areas would be determined not by market forces, but by the joint diktat of CSX and NS.¹ Likewise, the strictly limited boundaries of the Shared Assets Areas and joint facilities were fixed solely by CSX and NS in their private negotiations,² with little or no acknowledged basis in shipper preferences or considerations of the current balance of regional transportation options.

Further setting this case apart from its modern predecessors is the nature of the firm to be acquired and divided. As further described infra, Conrail's creation was the result of a complex, Congressionally-mandated and monitored process, the lodestar goal of which was the preservation and enhancement of effective rail competition throughout as much of New York and the Northeast as possible. The emergence of the present Conrail monopoly was a result disfavored by all key participants -- including the United States Railway Association ("USRA") and the former Interstate Commerce Commission ("ICC"). Indeed, the restoration of a New York/Northeast rail freight system that more closely matches Congress' competitive goals is a stated purpose

¹For example, rail switching and other services within the Shared Assets Areas are to be conducted by a contractor known as the Conrail Shared Assets Operator ("CSAO"), which would be controlled by a board of directors appointed equally by CSX and NS. See Application, Vol. 1 at 9, 41-42. Thus, any prospective action or investment by the CSAO that would give one carrier a competitive advantage could and presumably would be blocked by the other.

²See, e.g. Tobias Depo. Tr. at 235-39. Throughout these Comments, references to transcripts of witness depositions will be by the witness' name, followed by "Depo. Tr." and the transcript page references.

of CSX's and NS' Application. See Application, Vol. 1, V.S. Hoppe at 18-19.

Finally, as noted supra and further described hereafter, New York has invested or guaranteed over one billion dollars -- \$600 million since 1974 alone -- in rail service and infrastructure, much of which was for the support of Conrail and its facilities, and the development of critical commuter and inter-city passenger routes. Taken together, these factors argue strongly for an analytical framework for application of the governing public interest standard that is not limited simply to the impact of the proposed transaction on existing rail competition.

New York submits that properly considered, the CSX-NS plan for the division of Conrail should not be approved as proposed. Rather, in order to be adjudged consistent with the public interest under the relevant legal and public policy criteria, the subject transaction must be conditioned as follows:

1. New York's contemporaneous Joint Responsive Application providing pro-competitive trackage rights for rail service over the Hudson Line should be granted;
2. Buffalo and its surrounding environs should be designated and operated as a Shared Assets Area, in the manner requested by ENRSC;
3. A 10-year oversight and reporting condition should be imposed to monitor the impact of the Primary Applicants' division and operations plan on commuter and inter-city passenger service;

4. The Primary Applicants should be ordered to formally and specifically assume Conrail's obligations under thirteen (13) enumerated contracts with New York and its agencies, as to which the "override" clause of 49 U.S.C. §11321(a) should be held inapplicable;

5. The specific conditions sought by Metro-North and Southern Tier West respecting their acquisition of and/or reliance on certain lines to be allocated to NS should be granted; and

6. Appropriate conditions should be imposed to protect New York rail shippers from increased rates justified on the basis of the price paid by the Primary Applicants for their interest in Conrail.

Each of these necessary remedies is discussed in further detail below.

I

THE APPLICABLE LEGAL STANDARD

Under the governing statute (49 U.S.C. §11323, et. seq.), the Board's "single and essential standard of approval" in railroad control proceedings is that "the [Board] find the [transaction] to be consistent with the public interest." Finance Docket No. 32760, Union Pacific Corp., Union Pacific R.R. Co., and Missouri Pacific R.R. Co. -- Control and Merger -- Southern Pacific Rail Corp., Southern Pacific Transp. Co., St. Louis Southwestern Ry. Co., SPCSL Corp., and The Denver and Rio Grande Western R.R. Co., Decision served August 12, 1996, at 98 ("UP/SP"). A key issue in all cases is whether claimed or

perceived public benefits are overshadowed by purely private benefits, which may accrue solely to the merging carriers at the expense of the public. See CSX Corp. -- Control -- Chessie and Seaboard C.L.I., 363 I.C.C. 518, 551-52 (1980).³

In the modern era, agency scrutiny of proposed railroad consolidations has tended to focus primarily (though not exclusively) on the effects of a transaction on competition, a theme echoed in the National Rail Transportation Policy. 49 U.S.C. §10101. See UP/CNW, at 53-54. As noted supra, however, those cases all have involved proposed carrier combinations where the principal issue concerned the fear that existing competition would be diminished. Here, by contrast, the Primary Applicants have presented a plan to restructure the present, Conrail monopoly over Northeastern rail service so as to divide the key facilities of that monopoly between them. Both the nature of the Application and the nature and history of the acquisition target implicate legal and public policy considerations that define the "public interest" far more broadly than has occurred in more

³The ICC expounded upon this point in its UP/CNW decision:

[B]enefits to the combining carriers which are the result of increased market power, such as the ability to increase rates at the same or reduced service levels, are exclusively private benefits that detract from any public benefits associated with the control transaction.

See Finance Docket No. 32 33, Union Pacific Corp., Union Pacific R.R. Co. and Missouri Pacific R.R. Co. -- Control -- Chicago and North Western Transp. Co. and Chicago and North Western Ry. Co., Decision served February 21, 1995 ("UP/CNW"), at 53.

recent rail merger proceedings.

First, while the Board does not sit as an antitrust court, antitrust principles inform the Board's evaluation of a particular transaction against the public interest standard, particularly in considering whether and to what extent ameliorative conditions should be imposed. See McLean Trucking v. United States, 321 U.S. 67, 86-88 (1944). Here, the Primary Applicants propose what amounts to a formal division of the Northeast rail market, with only limited, new opportunities for competition. In general, a division of a market by erstwhile competitors amounts to a per se violation of Section 1 of the Sherman Act. See, e.g., Palmer v. BRG of Ga, Inc., 498 U.S. 46 (1990); United States v. Topco Assocs. Inc., 405 U.S. 596 (1972). While the per se rule is not automatically applied in the context of conduct by a regulated entity,⁴ the fact that the heart of the Application here is a proposal by CSX and NS to carve up Conrail between them with rail-to-rail competition permitted only in those areas to which both have agreed, warrants particularly close and tailored scrutiny by the Board.⁵

Second, the Board's consideration of the Application and its proponents' arguments must defer to Congress' stated

⁴Cf. Consolidated Gas Co. v. City Gas Co. of Fla., 665 F. Supp. 1493, 1527-31 (S.D. Fla. 1987).

⁵For example, as addressed in detail infra, the Applicants' ostensible promotion of rail competition in certain areas such as Northern New Jersey and Detroit, raises separate issues of anti-competitive impact on Conrail-captive shippers and receivers in other areas -- such as New York City and Buffalo -- whose competitors would gain new access to rail service alternatives.

goals in creating Conrail, and the overall consistency of the CSX-NS plan with the final realization of those goals. The Primary Applicants themselves invite such an evaluation, as they present their plan as the ultimate fulfillment of Congress' and USRA's original intent. See, e.g., Application, Vol 1, V.S. Hoppe at 18; V.S. McClellan at 13, 50.

The USRA's Final System Plan ("FSP"), published in July, 1975, was subsequently approved by Congress through the enactment of the Railroad Revitalization and Regulatory Reform Act of 1976 (4R Act), Pub. L. 94-210, 90 Stat. 31. In the FSP, USRA considered many different approaches toward reviving railroad operations in New York and the Northeast, ultimately recommending one that would ensure adequate competition throughout the region. See generally FSP, Chap. 1, at 13-36. USRA's preferred solution was a rail transportation structure built around the establishment of three major competing systems, together with several smaller, solvent carriers who were offered access to previously inaccessible portions of the region through trackage rights and other means. In short, the FSP set forth a pro-competitive regional railroad system that would allow three major carriers and the smaller solvent lines to serve and compete in the major markets of New York and the Northeast. As stated in FSP:

The Association believes the indicated industry structure recommendations offer the best approach to reversing the financial plight of the Region's rail industry, while ensuring adequate competition. The Plan contemplates ultimate restoration of the Region's rail

system to efficiency levels enjoyed by most railroads in the country. It can also serve as the basis for further evolutionary changes in the regional rail system as may be required.

This basic structure will offer competition between at least two railroads in major markets of the Region, supplemented by the services of the smaller railroads. It will enable such major railroads as Chessie and N&W to continue as solvent carriers, without undermining the chances for Conrail to attain solvency in the private sector. It also should serve to stabilize and in several instances enhance performance of the smaller solvent railroads.

Id. at 3.

Significantly, both the USRA and the ICC -- in comments on the FSP -- specifically rejected the creation of a unified Conrail as a plan that would "eliminate competition in a large and important area in the eastern part of the Region and, thus, would compromise one of the basic goals of the [3R] Act." FSP, Chap. 1, at 16-17. The ICC's conclusion was particularly pointed:

It is our opinion that establishment of Unified ConRail as the Regional rail structure is not a satisfactory solution for three basic reasons:

- Unified ConRail fails to meet the Act's goals of preserving and promoting competition (Section 206(a)(5)) and preserving existing patterns of service (Section 206(a)(4)).
- The monopolistic nature of Unified ConRail precludes effective regulation of Con-

Rail by the forces of a free market environment and will require increased regulation by the Commission in order to protect the Region's rail users and solvent railroads.

- Unified ConRail would set a dangerous precedent for national railroad transportation policy in other regions of the nation by failing to provide the intramodal competition necessary to cause service and efficiency improvements.

ICC Evaluation of the U.S. Railway Association's Final System Plan, August 25, 1975, at 8.

While USRA's primary goal of region-wide rail competition was not achieved in 1976, it emerges as a central theme of the Application. The claims of NS Chairman and CEO David R. Goode are representative:

- This transaction is by far the most pro-competitive railroad restructuring in history. It will create two new Northeast/Southeast rail systems that will do their utmost to best each other in the marketplace every day. This will bring about a blossoming of rail competition, the likes of which the Northeast has not experienced in decades.
- The advantages to our customers of the new competitive structure are clear. As network businesses, railroads are most effective when they connect the markets their customers want to reach. This transaction will create two far-flung transportation networks, and each one will serve most major markets in the East.
- The transaction has been carefully structured to keep both networks balanced in order to ensure that both will remain strong and vigorous competitors in all of their

major markets.

Application, Vol. 1 at 323-32. Particularly in light of these claims, the measure of the Primary Applicants' true achievement of the goal of regional competition is a critical criterion for the Board to apply in evaluating the CSX-NS proposal.

* * *

New York submits that when analyzed using the legal and policy criteria outlined above, and with due regard for Conrail's dominant role in New York and New York's corresponding investment in the intrastate rail system, the division of Conrail as proposed by CSX and NS is inconsistent with the public interest and should not be approved. Properly conditioned⁶ to ameliorate adverse impacts on competition and other significant State interests as further explained below, however, the transaction's potential public benefits would predominate sufficiently to enable it to proceed, consistent with 49 U.S.C. §11324(c).

⁶The Board retains broad authority to impose conditions on approval in order to ameliorate potential harmful effects or otherwise promote important public interest goals. See Union Pacific -- Control -- Missouri Pacific; Western Pacific, 366 I.C.C. 459, 562-64 (1992), aff'd sub. nom. Southern Pacific Transp. Co. v. I.C.C., 736 F.2d 708 (D.C. Cir. 1984), cert. denied, 469 U.S. 1208 (1985).

II

APPROVAL OF THE TRANSACTION
SHOULD BE CONDITIONED ON
COMPETITIVE RAIL SERVICE EAST
OF THE HUDSON RIVER

The New York Metropolitan Area and Hudson River Valley are central features of Conrail's service territory, and one of the country's largest markets for the consumption of products and transportation services. Likewise, from both a freight and passenger rail standpoint, the region is one in which New York has an enormous financial stake, in light of past and ongoing public investments in commuter and inter-city passenger facilities, yard and terminal investments, and freight service enhancements such as the Oak Point Link. See V.S. Utermark at 7-9, Exhibit ____ (JAU-4).

In their Application, CSX and NS devote considerable attention to the New York Metropolitan Area and its related port and terminal facilities, principally in terms of the claimed public benefits of the North Jersey Shared Assets Area. See, e.g., Application, Vol. 1, V.S. McClellan at 13-14; Vol. 2B, V.S. Kalt at 6. The testimony of NS' Witness Harris is representative:

The joint use of the Shared Assets Areas will create competitive rail options for shippers on these lines that are currently served only by Conrail. After the restructuring, Northern New Jersey and Southern New Jersey/Philadelphia will each be a joint access area with both Norfolk Southern and CSX having direct access to all customers. Because Norfolk Southern and CSX will establish rates independently of each other, they

will need to compete for freight in the Shared Assets Areas.

Competition between Norfolk Southern and CSX for traffic moving in the Shared Assets Areas should provide shippers with superior price and quality choices. Most traffic will be able to move over a single railroad for considerable distances over either Norfolk Southern or CSX. Consequently, as a general matter, Norfolk Southern's and CSX's joint operation of the Shared Assets Areas should result in lower rates and higher quality for shippers.

Application, Vol. 2B, V.S. Harris at 18. In addition to "lower rates and higher quality" service for shippers, the rail competition and extended hauls available through the North Jersey Shared Assets Area purportedly will lead to significant traffic diversions from motor carriers, with attendant benefits for road conditions, traffic and environmental quality. See, e.g., Application, Vol. 2A, V.S. Bryan.

Assuming arguendo the public benefits that the Primary Applicants attribute to their future plans for Conrail's lines in the New York Metropolitan Area, there is a glaring and significant defect in this element of their proposal: rail competition would stop at the Hudson River. The Primary Applicants' failure to extend competitive rail service to shippers and receivers in New York City, Long Island and the counties of the eastern Hudson River Valley must be corrected by the Board, before the CSX-NS plan for Conrail can be approved.

A. As Proposed, the Primary Applicants'
Plan for Eastern New York Is Anti-competitive

Under the Primary Applicants' plan, all of the Conrail lines located east of the Hudson River and south of Albany would be allocated to CSX. See, e.g., Application, Vol. 1, V.S. McClellan at 15. While NS vaguely claims that it will compete for traffic moving to and from New York City and other east-of-Hudson points, only CSX will offer direct rail service. To reach these points, NS would have to rely on intermodal or drayage service through crowded tunnels and over bridges;⁷ interline movements with CSX itself;⁸ or a car float from Greenville, NJ across New York Harbor.⁹ None of these "options," however, is an effective substitute for direct rail access.

The efficiency of continued reliance on drayage and intermodal service as an effective substitute for direct rail is belied by the repeated testimony of the Primary Applicants' witnesses that one of the public benefits of their Conrail plan would be extended rail hauls that would reduce the need for motor carriage. See Application, Vol. 2A, V.S. Bryan; Vol. 2B, V.S. Williams. Likewise, the prospect of CSX competing against its own long-haul by offering attractive interline rates with NS where CSX would serve only as an origin or destination carrier must be considered remote. See Williams, Depo. Tr. at 369, 381-

⁷Finkbiner Depo. Tr. at 99, 104.

⁸McClellan Depo. Tr. at 251-52.

⁹Id., at 253.

83 (confirming railroads' preference for single-line long hauls).

Similarly, the Primary Applicants' own witnesses confirm the present inadequacy of a cross-harbor car float as a means of allowing NS to compete east of the Hudson. CSX's operations expert, John Orrison, pronounced the existing car float "dilapidated" and unable to handle additional traffic without significant new investment. Orrison, Depo. Tr. at 61-64. Even NS' Witness McClellan, who mentioned the car float as an option, admitted that the facility had serious problems and confirmed that NS' post-transaction plans contain no projections of new traffic to be handled via the car float. McClellan Depo. Tr. at 253-54.

The effective ceding of a monopoly over rail freight service east of the Hudson River to CSX, in the context of the parties' larger transaction, will have direct and substantial anti-competitive impacts on shippers, receivers and communities in New York City, Long Island and the eastern Hudson Valley counties south of Albany. It is also flatly inconsistent with Congress' and USRA's stated goals for rail service in the region served by Conrail -- goals that the Primary Applicants herein have adopted as their own.

Included with these Comments are the Verified Statements of Stephen D'Arrigo, Alan Firestone and Jim Christie, all of whom rely upon rail service to and from New York City and Long Island locations, and all of whom face competitors located in the North Jersey and other Shared Assets Areas. As they explain,

under a Conrail monopoly they and their west side counterparts compete on a level playing field. Through the Primary Applicants' unilateral action to open the west side of the Hudson to competition while leaving the east side captive, however, the field artificially will be tilted in favor of the west side businesses. Produce distributors, municipal waste and wood products shippers, and myriad other east side merchandise shippers/receivers will lose market share and revenue, solely as a result of the Primary Applicants' proposals. See V.S. D'Arrigo at 3; V.S. Christie at 4; V.S. Firestone at 3. See also Joint Responsive Application, V.S. Robertson.

Witness Christie also describes the loss of intramodal transportation competition that his company, USA Waste, is threatened with as a result of the lack of east side rail alternatives. Specifically, with CSX in control of origin shipments from Harlem River Yard in the Bronx in lieu of Conrail, CSX's acknowledged preference to maximize its long-haul stands to deprive USA Waste of cost-effective access to its NS-served landfill in Virginia, leaving the company dependent on its alternate, CSX-served site. Even before the transaction has been approved, USA Waste has experienced the adverse effects of the prospective loss of Conrail as a neutral origin carrier. V.S. Christie at 3.

In addition to the specific, adverse impacts on existing competition that would result from approval of the Application as proposed, the agreement by CSX and NS to leave that

portion of New York east of the Hudson River without effective rail competition is at odds with Congress' clearly intended goals for the rail lines that ultimately became Conrail. As summarized in the authorities referenced in Part IB, supra, and further explained in the accompanying Verified Statement of Robert L. Banks, USRA's mandate was to preserve or replicate as nearly as possible the competitive rail service that existed throughout New York State before the bankruptcies of the early 1970s.

V.S. Banks at 11-16.

Through their Application, CSX and NS propose to crack open the Conrail monopoly which has stifled transportation efficiency and development for over two (2) decades. See, e.g. Application, Vol. 1, V.S. Snow at 9, 12-13. By failing to provide for competitive rail service east of the Hudson, however, Primary Applicants' plan actually gives rise to new, anti-competitive impacts on shippers represented by witnesses D'Arrigo, Firestone and Christie. And as Witness Banks explains, such a result is inimical to Congress' and USRA's unchallenged goals. V.S. Banks at 19-21. Absent conditions to ameliorate these adverse impacts, therefore, the subject transaction should not be approved.

B. The Trackage Rights Conditions
Proposed By New York Should be Approved

In their Joint Responsive Application submitted contemporaneous herewith, New York and NYCEDC propose that the Board condition approval of the Primary Application on a grant of pro-

competitive trackage rights over the Conrail line segments between Selkirk/Albany/Schenectady and Poughkeepsie, NY, and between Mott Haven Junction and Fresh Pond, NY. See Joint Responsive Application, at 4-5. When combined with privately-negotiated trackage rights over the line controlled by Metro-North between Poughkeepsie and Mott Haven Junction,¹⁰ trackage rights over the Conrail segments would permit a second carrier (to be designated jointly by New York and NYCEDC¹¹) to provide competition for CSX in offering freight service to shippers and facilities (such as the Harlem River Yard) along the Hudson Line east of the river, and on Long Island via the freight service franchisee of the Long Island Railroad -- currently, the New York & Atlantic Railway.

The relief sought in the Joint Responsive Application would address the anti-competitive impacts of the CSX-NS proposal in a manner that is operationally feasible, and would produce public benefits that outweigh any reduction in the public benefits produced by the subject transaction. Under the governing legal criteria, therefore, it should be granted. See BN/Santa Fe, supra at 55-56; 49 C.F.R. Part 1180.1(d).

¹⁰Accompanying the Joint Responsive Application is the Verified Statement of Metro-North President Donald Nelson, who testifies as to Metro-North's ability and willingness to negotiate an agreement for trackage rights with a second rail freight carrier. See V.S. Nelson at 8-9.

¹¹The granting of trackage rights upon request of a non-carrier for the benefit of a carrier to be identified at a later date finds precedent in the Board's recent western railroad merger decisions. See UP/SP, supra at 185.

Trackage rights over the Hudson Line to Selkirk Yard would permit the direct interchange of rail freight to and from the Delaware & Hudson Railway ("D&H"). As explained in the Application, an agreement reached between NS and D&H's parent provides for D&H to perform haulage service for NS from an upgraded interchange at Sunbury, PA to the Albany area. See Application, Vol. 3B, Exhibit 13-NS at 53. Thus, an interchange with D&H at Selkirk will amount to a direct interchange with the NS system, thereby allowing east-of-Hudson shippers dual access to NS and CSX line-haul service comparable to their west side counterparts -- particularly for movements to and from Western gateways. See Joint Responsive Application, at 5, 8-9; V.S. Robertson at 9. In this manner, the competitive imbalance resulting from Primary Applicants' unilateral designation of the boundaries of the North Jersey Shared Assets Area will be ameliorated.

The trackage rights relief sought by New York and NYCEDC is operationally feasible. CSX's witness Orrison testified that both the Selkirk Yard and the Hudson Line have ample excess freight capacity,¹² and Metro-North President Nelson confirms the ability of the busiest segments of the line to absorb significant increases in freight traffic as well as the presence of a second freight carrier. See V.S. Nelson at 7-8.¹³

¹²Orrison Depo. Tr. at 51-52, 67-68.

¹³Messrs. Nelson and Orrison each attributed the Hudson Line's additional freight capacity in part to the Oak Point Link, a \$200 million rail bypass funded by New York. See, e.g.,

The operational feasibility of the trackage rights proposed by New York and NYCEDC is further verified by the independent appraisal and analysis of Mr. Walter Schuchmann, an expert whose evaluation included direct physical observations of the lines in question. See Joint Responsive Application, V.S. Schuchmann at 5-11.

Finally, the east-of-Hudson relief sought by New York would produce public benefits in the form of enhanced competition¹⁴ and restored balance in affected markets, without any reduction in public benefits that might be associated with the Primary Application. It is well-settled that the creation or perpetuation of a railroad monopoly is not a "public benefit" within the meaning of the governing statute and regulations,¹⁵ and that is the only consequence of the Primary Applicants' Conrail division proposal that would be affected by New York's trackage rights condition. Perforce, the third prong of the Board's merger conditions test is satisfied.

To summarize, the Primary Applicants' proposal to bring rail competition to New York Metropolitan Area shippers located west of the Hudson River in the North Jersey Shared Assets Area,

Orrison Depo. Tr. at 56.

¹⁴As several witnesses testify, providing competitive rail service east of the Hudson River is expected to have a net, positive effect on transportation service and costs, as well as related positive environmental impacts, much as is claimed by the Applicants with respect to the North Jersey Shared Assets Area. See, e.g. V.S. D'Arrigo at 4.

¹⁵See UP/CNW, supra at 53.

while leaving their eastern counterparts subject to a continued monopoly, will have a direct and adverse competitive impact on rail shippers in New York City, Long Island, and the eastern Hudson Valley counties south of Albany. Absent Board action to ameliorate these impacts, the subject transaction is inconsistent with the public interest and should not be approved. For the reasons set forth above and in the Joint Responsive Application, therefore, New York's request for pro-competitive trackage rights over the Hudson Line should be granted.

III

APPROVAL OF THE TRANSACTION
SHOULD BE CONDITIONED ON
COMPETITIVE RAIL SERVICE IN
THE BUFFALO AREA

The Primary Applicants' proposal for post-transaction operations in the Buffalo area essentially amounts to a division and allocation of lines and shipping locations, with no real changes in the competitive outlook for area shippers and receivers heretofore dependent on Conrail. See Application, Vol. 1 at 35-38, 52. While NS is to be granted trackage rights over one line allocated to CSX -- the Niagara Branch to Suspension Bridge, NY -- those rights are not for the purpose of curing any erstwhile deficiencies in NS' connections with Canadian rail carriers. See Tobias Depo. Tr. at 104. Indeed, NS' operating witnesses were unable to articulate a reason why NS sought the rights in the first place, or to what use they would be put. See

Tobias Depo. Tr. at 104; Mohan Depo. Tr. at 431-32.

Under the Primary Applicants' plan, Buffalo area shippers will see no expansion of their current rail transportation options, and none will obtain access to dual line-haul service. See Mohan Depo. Tr. at 429-30, 487-88; Orrison Depo. Tr. at 71.¹⁶ These shippers' counterparts in the Detroit area, however, will gain new access to competitive rail service by virtue of the Applicants' decision to designate Detroit as a Shared Assets Area. As explained in greater detail in the Comments of ENRSC, the terminal and related facilities in and around Buffalo compete with Detroit for important U.S.-Canada cross-border through traffic. By bestowing the benefits of rail competition on Detroit while leaving Buffalo shippers subject to de facto single-carrier dominance, the Primary Applicants' plan repeats the adverse consequences visited on shippers east of the Hudson River, described supra. See also V.S. Banks at 5-7.

ENRSC has requested that the Board address the anti-competitive impacts of the Primary Applicants' proposal on shippers in the Buffalo area by imposing a condition requiring the Primary Applicants to establish a Shared Assets Area for Buffalo on par with that to be established in Detroit. New York supports this relief for the reasons articulated by ENRSC and

¹⁶Portions of the Buffalo area are open to reciprocal switching, under Conrail's Tariff CR 8001-Series. As more further discussed in the Comments of ENRC, however, the charges for switching under that tariff (over \$450 per car in many cases) effectively preclude use of the service as a meaningful option to access other participating railroads. See Document CR11P000101-110.

based on the principles set forth in Part I, supra. If the Board otherwise determines to approve the Application, it should only do so with adoption of the pro-competitive conditions sought by ENRSC.

IV

THE PUBLIC INTEREST REQUIRES IMPOSITION OF AN OVERSIGHT CONDITION TO PROTECT PRESENT AND FUTURE PASSENGER TRANSPORTATION SERVICES IN NEW YORK

New York's witness Utermark has detailed for the Board both the State's massive financial investment in railroad passenger operations and facilities, and the crucial importance which rail passenger service plays in the State's social and economic welfare. V.S. Utermark at 8-9, 13-19. As the evidence discloses, Conrail is the cornerstone of the New York passenger network as its facilities are the backbone of both the commuter and inter-city systems. The commuter system is the lifeline of New York City, and the inter-city lines link New York's principal metropolitan areas.

While New York is gratified by the Primary Applicants' Statements that they will "honor" all of Conrail's passenger commitments (Application, Vol. 3A at 275), something more explicit is required. New York submits that the Board must go on record affirmatively ordering CSX and NS to faithfully maintain their operations and facilities so that they can adequately and efficiently sustain both the present level of passenger opera-

tions in New York, and future operations dictated by New York's investments and its expanding and dynamic needs. To insure that New York's public interest in adequate and efficient passenger transportation services is met, the Board must retain oversight over the Primary Applicants' commitment to New York's passengers for a period of ten (10) years. See V.S. Utermark at 19-20. Under such a provision, New York must be entitled to petition for and receive Board orders which compel the Primary Applicants to meet New York's reasonable needs for passenger service based upon New York's investment in facilities benefiting Conrail and Conrail's reciprocal commitments. Further, the condition should include:

1. an express commitment by the Primary Applicants to continue the New York program to achieve high speed passenger service between New York City and Albany (125 MPH) and between Albany and Buffalo (100 MPH); and
2. an express commitment by the Primary Applicants to enhance and expand their passenger facilities in conjunction with Amtrak as circumstances require, consistent with New York's investment in Conrail facilities.

Oversight conditions have been imposed by the Board in previous consolidation cases specifically to monitor the ultimate fulfillment of projections, plans or assurances proffered by applicant carriers in support of their control proposals. See, e.g., UP/SP, supra at 226. Particularly given New York's enormous stake in both the preservation and protection of current passenger service levels, and in the ability to meet the public's growing need for expanded and enhanced service, oversight is the

appropriate remedy to guarantee the Primary Applicants' casual (albeit positively stated) commitments.

V

APPROVAL OF THE TRANSACTION
SHOULD BE CONDITIONED ON
THE ASSUMPTION OF CONRAIL'S
CONTRACTS WITH NEW YORK

Unconditioned approval of the Primary Applicants' proposed transaction could cost New York and its citizens millions of dollars in lost benefits due from Conrail under existing contracts. As witness Utermark explains, New York has invested more than \$160 million to secure rail construction, maintenance and operation services from Conrail through dozens of agreements over the last two decades. V.S. Utermark at 8-9. Thirteen (13) of these agreements remain in effect today, and require further performance by Conrail in coming years. These outstanding contracts represent public investments for a variety of crucial rail maintenance and operation services (see V.S. Utermark, Exhibit __ (JAU-5), including:

- High-speed track and signal construction and maintenance along the Poughkeepsie to Schenectady rail corridor (\$47 million);
- Maintenance of through and local train service over the Southern Tier Main Line and Southern Tier Extension from Buffalo and Hornell to Corry, Pennsylvania (\$28 million);
- Track and signal improvements and maintenance in the Buffalo-Niagara terminal area, in part to preserve passenger service (\$11 million);

- High-speed track and signal construction and maintenance along the Poughkeepsie-Croton Harmon route (\$28 million);
- Track rehabilitation between Suffern and Port Jervis (\$17 million); and
- Track maintenance and upgrades along the Buffalo to Albany route, again in part to facilitate passenger service (\$5 million).

Despite the significant sums and important services at issue, the Primary Applicants as yet have made no specific commitment to carry out Conrail's obligations under these agreements, if the proposed transaction is approved. Provisions of the Transaction Agreement and other portions of the Application purport to address categories of Conrail contracts, and provide generally for their allocation to, and in some cases, assumption by CSX or NS. See Application, Vol. 8B, Transaction Agreement §2.2. Nowhere, however, do Applicants specifically discuss Conrail's contracts with New York, or commit to honoring their terms. Indeed, neither CSX nor NS has even identified, let alone described their plans for Conrail contracts they expect to inherit as a result of the proposed transaction.¹⁷

¹⁷ See, e.g., Norfolk Southern's Responses to First Set of Interrogatories and Requests for Production of Documents of the State of New York (NS-24) at 13 ("NS does not know the identity and terms of," or the existing obligations of Conrail under, "agreements and other undertakings between Conrail and the State of New York . . . relating to lines in New York that would be operated by NS . . ." upon consummation of the Transaction).

New York respectfully requests that the Board recognize the substantial investment of public funds at stake, and New York's entitlement to benefits promised by and due from Conrail in return, by conditioning any approval of the proposed transaction as outlined below.¹⁸

CSX and NS claim to have voluntarily agreed to honor and assume Conrail's contractual obligations relating to the "purchase of transportation services." Application, Vol. 8B, Transaction Agreement §§1.1, 2.2. Section 2.2(c) of the Transaction Agreement provides for CSX and NS to "carr[y] out" these so-called "Existing Transportation Contracts" through their "stated term." Id. Though several of New York's contracts with Conrail may qualify as "Transportation Contracts," Applicants have not specifically designated any of them as such, either in the Application or in their discovery responses.¹⁹ In light of this uncertainty, New York requests that the Board require Applicants to identify those agreements listed in Exhibit ____ (JAU-5) that constitute "Transportation Contracts" within the meaning of Section 2.2(c). Further, New York requests that the Board compel Applicants to agree formally and in writing to "carry out . . . through their stated term" all such contracts in

¹⁸ The Board has recognized in past proceedings that "a factor in determining whether [a] proposed transaction is in the public interest is the question of whether [it] would abrogate an existing contractual agreement." Finance Docket No. 32896, Kansas City Terminal Ry. and the Atchison, Topeka and Santa Fe Ry. -- Contract to Operate Exemption -- in Kansas City, MO, Decision served November 20, 1996, at 7.

¹⁹ See note 17, supra.

accordance with their commitment in the Application to do so.²⁰

Many of New York's outstanding contracts with Conrail may not qualify as "Transportation Contracts" under Sections 1.1 and 2.2(c) of the Transaction Agreement. For this reason, the Board cannot rely solely on enforcement of the Applicants' own, limited provisions for the assumption of Conrail commitments to adequately protect New York's public investments and entitlements. Applicants' voluntary accommodation of Transportation Contracts, while necessary and appropriate, leaves unresolved their post-transaction plans for contracts involving other, equally important obligations. The Board, of course, is not bound to respect the decisions and provisions made by CSX and NS in their Application. As in past merger proceedings, the Board may condition approval of the transaction upon Applicants' observation and performance of contracts they have not otherwise taken on.²¹

As Mr. Utermark discusses in his Verified Statement, a number of New York's 13 outstanding contracts require Conrail to perform certain long-term maintenance and repairs of rail lines

²⁰ In past merger proceedings, the Board has not hesitated to require that applicant carriers abide by their representations regarding plans to honor pre-existing contracts. See UP/SP, supra at 183 (Board will "hold[] applicants to their representation that UP/SP will accept the terms of the . . . agreement entered into by SP"); id. at 196.

²¹ See UP/SP, supra at 185 ("to preserve the pre-merger status quo," Board imposed condition requiring merged UP/SP to honor pre-existing agreement between the former SP and a particular shipper).

and facilities all over the State. See V.S. Utermark at 7-12. Though perhaps not "transportation" services as defined by the Applicants, such undertakings still are crucial to the continued safety and utility of New York's rail system. Id. Absent binding agreements to assure timely and proper performance of these services, the State and its citizens are left without any guarantee that affected rail infrastructures will remain viable and intact.

Several of New York's other Conrail agreements require reimbursement from Conrail over a specified time period for sums expended by New York in support of various rail-related projects.²² Again, Applicants' definition of and provisions for "Transportation Contracts" may not extend to these obligations. Nonetheless, New York expects and is entitled to Conrail's full discharge of the substantial financial debts owed to New York under the parties' valid contractual arrangements.

New York urges the Board to recognize the public's interest in and dependence upon all of Conrail's contractual promises, by requiring that Applicants expressly assume responsibility not only for "Transportation Contracts," but for each of the agreements listed in Exhibit ____ (JAU-5). Only a Board-ordered condition to this effect will ensure that pledges made by Conrail, and relied on by New York railroads, rail users, and taxpaying citizens, properly will be preserved.

²²See, e.g., Exhibit ____ (JAU-3), Contract D139943.

Past merger proceedings have shown that even years after consummation of an approved transaction, consolidating rail carriers sometimes seek to disavow valid contractual obligations that they claim impairs implementation of some aspect of the earlier transaction.²³ Carriers have relied on the statutory "override" provision now codified at 49 U.S.C. §11321(a), as authority to disregard legally binding commitments without prior consultation of the Board or any affected party. To ensure that the conditions discussed above serve their intended purpose, and protect New York's interest in and reliance on its Conrail contracts, the Board should clarify that avoidance of New York's contracts is not "necessary" to effectuate the proposed transaction, within the meaning of Section 11321(a).²⁴

To be sure, the "necessity" standard for invocation of section 11321(a) immunity is strict.²⁵ The statute itself "clearly expresses a sensitivity to state law," and, as interpreted,

²³ See, e.g., Norfolk and W. Ry. v. American Train Dispatchers' Ass'n, 499 U.S. 115 (1991)(application approved in 1982; abrogation of collective bargaining agreement effected in 1986); American Train Dispatchers Ass'n v. ICC, 26 F.3d 1157 (D.C. Cir. 1994)(application approved in 1980; abrogation of collective bargaining agreement effected in 1988).

²⁴ Parties to prior Board proceedings have made arrangements among themselves with respect to the applicability of the immunity provision. In UP/SP, for example, the applicants pledged to limit their use of the immunity provision, in certain circumstances, despite the cost savings its invocation might afford them. UP/SP at 251.

²⁵ Nothing herein should be construed as concurrence by New York that Section 11321(a) properly could be invoked in this case to avoid or nullify Conrail contract commitments to New York. The requested clarification is precautionary.

permits "nullification" of state law restrictions or contracts only when they "threaten [the] success" of an approved transaction.²⁶ The Primary Applicants' performance of Conrail's contract obligations to New York will not significantly affect, let alone "negate" or "impinge upon"²⁷ any aspect of the Primary Applicants' transaction. Though inheriting Conrail contracts may prove financially undesirable to the Primary Applicants, that would not justify their renunciation of performance as "necessary" to implement the proposed transaction. The Board should issue a clarification to that effect.

VI

THE SEPARATE CONDITIONS SOUGHT BY METRO-NORTH AND SOUTHERN TIER WEST SHOULD BE GRANTED

In separate Comments filed in this proceeding, Metro-North and Southern Tier West each seek conditions designed to preserve tentative or prospective agreements with Conrail and/or NS concerning the future disposition of rail lines critically important to their and their constituents' interests. New York fully supports the relief sought by Metro-North and Southern Tier West, and urges that it be granted.

²⁶ Palestine, Texas v. United States, 559 F.2d 408, 414-15 (5th Cir. 1977).

²⁷ See Palestine, 559 F.2d at 414-15.

A. Metro-North

As described in further detail by witness Utermark, Metro-North is responsible for commuter passenger service over the rail line between Hoboken, NJ and Port Jervis, NY, which serves commuters in Orange and Rockland Counties, New York. See V.S. Utermark at 15-16. Approximately 66 miles of this line (between Suffern, NY and Port Jervis, NY) is owned by Conrail, and under the proposed transaction would be assigned to NS.

The Comments of Metro-North and accompanying Verified Statements of Messrs. Donald Nelson and Howard Permut explain the public investments and related circumstances that are expected to double commuter ridership on the Port Jervis Line by the year 2002. Passenger increases are expected to begin as early as this year, however. Metro-North's concern is that it will not be able to justify the multi-million dollar public investments needed to upgrade signalling and other facilities if the line is to be controlled by a freight carrier, and perhaps dispatched from a remote location by personnel unfamiliar with commuter operations. For these reasons, Metro-North commenced negotiations with Conrail for purchase of the line.

Metro-North's Comments indicate that while a tentative agreement was reached with Conrail for acquisition of the line for \$9.8 million, subsequent negotiations with NS toward a final contract and closing came to an abrupt halt last month. Based upon these facts and consistent with its obligations under New York law to provide safe and adequate passenger service over the

line, Metro-North seeks a condition requiring NS to proceed with conveyance of the line on terms agreed to by Conrail, or alternatively, to agree to a long-term extension of the current trackage rights agreement between Metro-North and Conrail, which otherwise becomes subject to termination on one year's notice after December 31, 1997.

The conditions sought by Metro-North are consistent with the Primary Applicants' professed intentions to honor Conrail's prior obligations and undertakings, and clearly would serve the public's interest in safe, adequate and expanded passenger rail service. By the same token, NS would receive fair consideration for the line, along with sufficient rights to conduct freight operations in accordance with the Primary Applicants' Operating Plan. New York submits that the Metro-North conditions are reasonable, feasible and mandated by legitimate public interest considerations, and therefore should be granted.

B. Southern Tier West

One of the many rail lines in which New York has made considerable investment in exchange for Conrail covenants of continued maintenance and operation is the so-called Southern Tier Extension from Hornell, NY through Olean and Jamestown to Corry, PA. See V.S. Utermark, Exhibit ____ (JAU-5). Pursuant to agreements with New York respecting the line, Conrail at present is indebted to the State in the amount of \$2.136 million, which is due and payable by Conrail (or its successor) in June, 1998.

Id.

With New York's endorsement and support, Southern Tier West has been engaged for some time in negotiations -- first with Conrail and more recently with NS²⁸ -- over the future of the Southern Tier Extension. As discussed in the Comments of Southern Tier West, these negotiations have included proposals in which tax abatements and other consideration would be exchanged for covenants ensuring the continued maintenance of and rail freight operations over the line. Southern Tier West further explains the adverse regional impacts -- economic and otherwise -- which are threatened by the prolonged and continued uncertainty over NS' intentions vis-a-vis the future of the Southern Tier Extension. While recent negotiations apparently showed some promise, Southern Tier West has been unable to come to closure with NS on an acceptable agreement. Meanwhile, the Conrail indebtedness to New York remains outstanding.

Southern Tier West requests that if the Board is disposed to approve the proposed transaction, it do so only upon condition that (1) NS state in writing its plans for the Southern Tier Extension; (2) Conrail satisfy its financial obligations to New York; (3) NS restore the line to operable condition as required by existing agreements; and (4) NS agree to a 5-year extension of the service and maintenance covenants provided under said agreements. New York submits that given the prolonged

²⁸Under the proposed transaction, the Southern Tier Extension would be assigned to NS. See Comments of Southern Tier West.

uncertainty over NS' intentions, the public's past and present investment in the line (which has yet to be recovered) and the demonstrated, continued need for adequate rail freight service in the affected region, the conditions sought by Southern Tier West are reasonable and necessary. New York supports Southern Tier West's conditions request, and urges that it be granted.

VII

THE BOARD SHOULD ADOPT CONDITIONS TO PROTECT NEW YORK SHIPPERS FROM FUTURE RAIL RATE INCREASES

The Board can take administrative notice of the fact that the price paid by NS and CSX for Conrail substantially exceeds both the market price of Conrail's shares when CSX made its initial tender offer and the book value of the assets to be operated by the Primary Applicants. See, e.g., Application, Vol. 7A at 441. As witness Utermark explains, the excess -- and the questions of how and by whom it will be funded -- is cause for concern among New York-based shippers dependent on rail service from the Primary Applicants:

Our concern is heightened by the fact that we made significant contributions to Conrail which were material in creating the successful enterprise which Applicants seek to acquire. It would be perverse if the Board permitted Applicants to fund their purchase from increased charges to New Yorkers, whose funds in part made Conrail profitable in the first place.

V.S. Utermark at 12.

New York has no quarrel in the abstract with the price that the Primary Applicants chose to pay for Conrail. The recovery of any difference between that price and the value of the assets acquired, however, must not become a pretext for higher rail rates on freight traffic which has no effective, competitive alternatives. New York submits, therefore, that if the Board approves the proposed transaction, it craft and impose appropriate conditions to preclude NS and CSX from using their acquisition price for Conrail to justify increases in freight rate levels.

CONCLUSION

For all of the reasons set forth herein, New York submits that the control of Conrail and division and separate operation of Conrail's assets by CSX and NS as proposed in the Primary Application is contrary to the public interest, and should not be approved.

If the Board nonetheless determines to approve the Primary Application, it should only do so upon each of the following conditions:

1. The Joint Responsive Application of New York and NYCEDC should be granted.
2. The conditions requested by ENRSC regarding the establishment of a Shared Assets Area in and around Buffalo, NY should be granted.

3. The Board should prescribe a 10-year oversight and reporting condition as described in Part IV, supra, to monitor the Primary Applicants' compliance with other conditions and ensure that their implementation of the subject transaction does not impair or otherwise adversely affect current and planned commuter and inter-city passenger rail operations.

4. The Primary Applicants should be required to assume in writing all of Conrail's obligations under the contracts with New York identified in Exhibit ____ (JAU-5) to the Verified Statement of James Utermark, and the Board should clarify that pursuant to 49 U.S.C. §11321(a), no override or avoidance of any of those contracts is necessary to let the Primary Applicants carry out the subject transaction.

5. The separate conditions sought by and described in the Comments of Metro-North and Southern Tier West should be granted.

6. The Board should adopt appropriate conditions to ensure that the acquisition price paid for Conrail by the Primary Applicants cannot be used to justify unreasonable rail rate

increases to New York shippers.

Respectfully submitted,

THE STATE OF NEW YORK BY AND
THROUGH ITS DEPARTMENT OF
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Dated: October 21, 1997

Attorneys and Practitioners

APPENDIX
OF
DEPOSITION TRANSCRIPT EXCERPTS

STEPHEN C. TOBIAS

1 Q. Is that to cure some deficiency in your
2 current Canadian connections?

3 A. Not that I'm aware of.

4 Q. As far as you know, the connections
5 that NS presently has with CP and CN are adequate
6 to handle the business?

7 A. From my perspective, they are.

8 Q. So you wouldn't be able to provide me
9 with any information as to why those rights are
10 part of the deal or why they're overhead and not
11 local or anything like that; is that right?

12 A. Nothing other than what I've already
13 articulated.

14 Q. Okay. Pardon me if I already asked
15 this question, but did you ever understand or did
16 anyone ever tell you that there was ever a
17 proposal made to establish a shared asset area in
18 Buffalo?

19 A. Not to my knowledge.

20 Q. From an operational standpoint, and
21 forgive me if what seems to me to be a simple
22 question is too complicated because I'm not an
23 operating expert, but from an operational
24 standpoint, can you or do you see any serious
25 impediments to the Conrail facilities in the

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1 different interchange configuration with BN/Santa
2 Fe at Streator.

3 Q. That's correct. And Mr. Mohan
4 testified about that. But that's focusing more
5 on the train flows and train operations and
6 blockings and routings. And I'd like to confirm
7 that the physical interchanges that exist today,
8 whether they're direct physical interchanges, are
9 there interchanges using one of the three
10 principal terminal switch carriers, IHB, B&OCT,
11 and BRC, if you're aware of any physical
12 interchanges that will change?

13 A. Outside of the plan?

14 Q. Well, I don't know that there are any
15 even reflected in the plan. Mr. Mohan indicated
16 he was not aware of any. Are you aware of any?

17 A. I'm trying to understand your question.

18 Q. Changes, any changes in the physical
19 interchanges between the rail carriers that will
20 occur?

21 A. Other than the Streator opportunity,
22 I'm not aware of any interchange point
23 reconfigurations in the plan. I'm not aware of
24 any additional interchange reconfigurations that
25 are presently being discussed or negotiated.

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1 That's not to say that, at some point in the
2 future, as it relates to two parties
3 renegotiating an interchange point, that that
4 can't take place.

5 Q. Right. Thank you, sir. And I guess
6 that's what I was looking at. We know what the
7 plan says. And I guess I was interested, since
8 that time, since Mr. Mohan has not been involved
9 in any going forward, whether you're aware of any
10 such change?

11 A. I'm not aware of any significant
12 changes in that regard or for that matter any
13 other changes to the plan.

14 Q. So you're not aware of any closures or
15 downrating or downgrading of facilities that will
16 occur in Chicago? And I don't want to mislead
17 you because I believe Calumet will change.

18 A. That's covered in the plan.

19 Q. Right.

20 A. That's very clearly covered in the
21 plan, that some of the switching operations at
22 Calumet will be dealt with at Elkhart. That's
23 not to say that Calumet is being phased out.
24 Calumet will still function as a facility for
25 Norfolk Southern in Chicago.

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1 Q. Do you have plans to expand that on the
2 intermodal side?

3 A. That is a possibility, has been
4 discussed, no decision has been reached.

5 Q. And there may be other changes that are
6 reported in the plan. But do you recall any
7 other changes besides Calumet, even as reported
8 in the plan, that are of a significant nature in
9 terms of the changes of the operations in Chicago
10 and other than the Streator bypass opportunity
11 that you mentioned?

12 A. As it relates to interchange?

13 Q. Yes, sir, with the Western carriers.

14 A. No, not that I recall.

15 Q. Thank you, sir. Are you aware of any
16 changes in practices or procedures that will be
17 required by any of those three terminal switching
18 railroads that I referenced earlier as a result
19 of the plan or going forward from the development
20 plan?

21 A. And the three carriers were?

22 Q. IHB, B&OCT, and BRC.

23 A. I'm not aware at this point of any
24 changes in Chicago outside the confines of the
25 plan. Obviously the IH&B is going to undergo

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1 some yet to be determined reconfigurations as a
2 result of the plan, if this transaction is
3 approved by the STB.

4 Q. One of the reconfigurations as I
5 understand it, and I don't understand it very
6 well, involves I believe the Blue Island Yard
7 that CSX is going to have principal use of and
8 responsibility for; is that correct?

9 A. That's my understanding.

10 Q. Could you explain, I don't know how
11 that fits in and how that will affect, if at all,
12 currently existing operations in Chicago for
13 other carriers?

14 A. Well, under the circumstances I think
15 that question would best be addressed to CSX.

16 Q. Okay. That's fine. Currently BN/Santa
17 Fe, for instance, has I believe automobile
18 traffic classified by IHB perhaps at Gibson and
19 perhaps not involving Blue Island. But you're
20 not aware of in your discussions any effect that
21 transaction will have on any of the Western
22 carriers and their changes or transactions in
23 Chicago?

24 A. Not other than what is depicted in the
25 plan.

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1 Q. With respect to Streater, you suggested
2 that it was possible and the plan may project
3 that certain volumes will be interchanged at
4 Streater rather than Chicago with BN/Santa Fe; is
5 that correct, sir?

6 A. I think, in response to your question,
7 I said that Streater offered the opportunity for
8 interchange reconfiguration.

9 Q. Do you anticipate that Norfolk Southern
10 is going to pursue that opportunity?

11 A. Well, that again would be as a result
12 of any coordination that was reached with
13 BN/Santa Fe to that extent.

14 Q. Who is or will be responsible for doing
15 that coordination with BN/Santa Fe?

16 A. Well, traditionally that would fall
17 under the service design group and operations in
18 Atlanta.

19 Q. And who is responsible for that
20 function, the name of the person?

21 A. Don Zurich, assistant vice president of
22 transportation.

23 Q. Are you aware of whether or not he or
24 anyone in his group has started discussions with
25 BN/Santa Fe in that regard?

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JOHN H. WILLIAMS

1 the known shipper preference for single-line
2 service. And I had a question about some other
3 preferences that I think exist in the rail
4 industry that I want to see if I can get your
5 thoughts on.

6 You've had experience dealing with
7 marketing departments for the last 30 years; is
8 that correct?

9 A. Yes.

10 Q. Would you agree with me that there's
11 generally a railroad preference to maximize
12 revenues?

13 A. No, I don't think I would agree with
14 that.

15 Q. You don't. Can you tell me why you
16 don't agree?

17 A. I think railroads are like any other
18 American business today and they try and maximize
19 their profits.

20 Q. Okay. And do you think they try to
21 maximize their profits on individual movements?

22 A. Yes.

23 Q. Okay. And you think that general
24 preference to maximize profits comes into play
25 when they price movements?

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1 A. Yes.

2 Q. Length of haul, could that affect it as
3 well?

4 A. Well, I think the contract and the
5 terms of the contract would be the governing
6 factors.

7 Q. Okay. I just have some questions now
8 on your diversion analysis. And again, to put
9 that analysis in context, I want to see if we
10 could come to some agreement on some other
11 preferences that exist in the industry. Would
12 you agree with me that there's a shipper
13 preference to get as low a rate as possible for
14 reliable railroad service?

15 A. Yes.

16 Q. Okay. Would you agree with me that
17 there's a railroad preference not to short haul
18 itself?

19 A. Yes.

20 Q. Would you agree with me that shippers
21 prefer to avoid routes that -- and perhaps this
22 is a preference that's common to shippers and
23 railroads, prefer to avoid routes that suffer
24 from traffic congestion?

25 A. Yes.

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1 Q. Would you agree with me that there's a
2 preference to have your movements occur in cycle
3 times that enable you to plan your business
4 efficiently?

5 A. Yes.

6 Q. And in particular, with respect to
7 utility companies, would you agree with me that
8 there's a shipper preference to obtain service
9 under reliable service parameters including cycle
10 times, perhaps train size, other service
11 conditions that affect the ability to plan your
12 power requirements?

13 A. Yes.

14 Q. Now, when you performed your diversion
15 analysis, you assumed that 100 percent of all
16 joint-line traffic would be diverted to
17 single-line movements, correct?

18 A. Yes.

19 Q. And as I understand your testimony is
20 based on the, quote, known shipper preference for
21 single-line service?

22 A. Yes.

23 Q. Is that the only basis for that
24 assumption, that 100 percent will be diverted?

25 A. Well, I certainly think it's the

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1 primary basis, yes.

2 Q. That's the primary basis you think?

3 A. (Witness nods head.)

4 Q. Why do you think shippers prefer
5 single-line service?

6 A. Because it avoids interchanges, it
7 avoids two or more carriers who disagree about
8 who is responsible for failing to provide service
9 because it permits the shipper to deal with just
10 one entity from a ratemaking customer service
11 point of view, because it's generally more
12 efficient and lower cost for the railroad to
13 produce single-system service without the
14 interchanges and the interfaces with other
15 carriers.

16 Q. Can't the joint line carriers work
17 those things out among themselves through
18 contractual arrangements?

19 A. That has always been argued to be
20 possible. And it has been demonstrated at least
21 in the past 15 years that the shippers prefer
22 single-system service because the carriers can't
23 and don't work it out.

24 Q. Is it your experience in the industry
25 that there are no instances of -- strike that.

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JOHN ORRISON

bottom of the Hudson line and go -- it's on pillars in the water. And it goes down to a point called the Harlem River Yard area.

Q. What's your understanding of the purpose of the Oak Point link?

A. My purpose of it was to help for the development of intermodal and other freight operations in the Oak Point area.

Q. So, when you testified that you think the Hudson River line can handle significant additional freight traffic, is one of the reasons you have in mind that the Oak Point link allows that bypass of some of those commuter tracks?

A. That's one of the cases, yes.

Q. Turn, if you would, to page 213 of volume 3A. And, at the bottom of that page, under the heading shared assets area, there's a description of the shared assets areas being managed by something called the Conrail shared assets operation or CSAO. Is it your understanding that the CSAO will have a board of directors appointed equally by NS and CSX?

A. It is my understanding, yes.

Q. Do you have any understanding as to whether the CSAO will have any ability to itself

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freight cars on, so any freight car that would qualify for the float operation.

Q. Are there any limits either in terms of how many cars can be handled at one time or in a week or any physical limitations on the capacity of that Cross Harbor operation?

A. I don't know Cross Harbor's current operation except through conversations that I had with Conrail. My understanding is that it's a very small operation, it's only a handful of cars, it's a dilapidated operation in terms of equipment and facilities and capacities accommodated by the resources in the facilities and their conditions.

And so, when you were asking about the capacity, you would have to look at, you know, what time frame and, you know, what type of situation that operation would be in.

Q. Well, if CSX were to be transporting freight from, you know, any of the Western gateways headed toward New York City or Long Island, based on your understanding of the choices, would it be accurate that you would take it over Selkirk and down the Hudson River line as opposed to three Greenville and over the Cross

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Harbor?

A. The choices are determined by the shipper, not the railroad. The shipper picks the routing and the carriers that they want to move traffic on. The operating plan accommodates the movement of that traffic.

Q. Well, my question, perhaps I should phrase it a little differently. Just from the standpoint of your expertise as a railroad operator, assuming that you were making the decisions, would you consider it to be a more efficient operation, a superior operation for CSX to take it over Selkirk and down the Hudson River line as opposed to the Cross Harbor?

A. Again I think we're speculating.

Q. Sure. We're assuming.

A. The reason for it is the customer wants that freight car to go to some point. They have a number of different decisions they make in the logistics that move that freight car, once a freight car gets into the Manhattan area, how it's going to transfer the freight to truck to a building, for example.

The shipper is going to look at the patterns of service provided by different

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1 carriers and make their determination based off
2 of their knowledge and what they want to attain
3 with their logistics. The railroad puts together
4 operating plans.

5 We are planning on putting together an
6 operating plan that allows for trains to go down
7 the Hudson line for distribution of equipment and
8 cars and freight at the Oak Point area. We are
9 also putting together plans, and it was shown on
10 the document, for that gateway to bring trains
11 down to the North Jersey area.

12 They could make connections to the
13 Cross Harbor. So there will be efficient good
14 connections that are going to be provided by CSX
15 for cars to move through all these different
16 possible routings.

17 Q. Do you have the same optimistic view of
18 the potential for freight increases using the
19 Cross Harbor as you earlier testified you do for
20 the Hudson River line?

21 A. Would you restate your question.

22 Q. Yes, I'm sorry. Do you believe that
23 the Cross Harbor operation has the same potential
24 to handle significant increases in freight
25 traffic that you earlier testified you believe

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1 the Hudson River line has?

2 A. Not unless the Cross Harbor has
3 investment placed in it.

4 Q. What kind of investment?

5 A. As I mentioned earlier, the condition
6 of their equipment and piers are in very poor
7 condition. I think that he's got -- the company
8 has limits to the number of cars that they can
9 move. So, you know, if you had lots of cars show
10 up, I think he would have congestion, the company
11 would have congestion.

12 Q. Do you have any order of magnitude as
13 to how much investment in dollars would be
14 necessary?

15 A. No, that's purely speculation.

16 MS. CLAYTON: I object to your asking
17 him about another company's's plans. He already
18 said he doesn't know their operation, he hasn't
19 been to see it.

20 MR. DOWD: For the record my question
21 is did he have an idea and he said he didn't and
22 that's fine.

23 BY MR. DOWD:

24 Q. I'd like to ask you a couple questions
25 about Albany and the Selkirk area. What's your

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1 served by CSX, those local customers. There are
2 local customers in the Buffalo area that will be
3 served by Norfolk Southern because Conrail lines
4 are assigned to them.

5 Q. And are there any that you're aware of
6 that will be served by both?

7 A. No.

8 Q. Okay. Are you familiar with the
9 trackage rights arrangement under which Norfolk
10 Southern is given trackage rights up the Niagara
11 branch to Suspension Bridge?

12 A. I'm not familiar with that.

13 Q. Okay. Did you or anyone under your
14 supervision study or evaluate from an operational
15 standpoint any scenarios for post-transaction
16 operations in Buffalo different from the
17 arrangement that is in the application?

18 A. We did our operating plan based off of
19 the boundaries that were given to us from the
20 April 8 agreement.

21 Q. Okay. So is it your testimony that you
22 did not evaluate any scenarios for Buffalo other
23 than the one that's in the application?

24 A. That is correct.

25 Q. Were you ever aware or did anyone ever

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THOMAS FINKBINER

term intermodal service east of New York City?

A. We have had discussions with the Long Island Railroad for the application -- or for the operation of Triple Crown services through Long Island out to the east end of Long Island.

Q. When you say the Long Island, is that the Long Island Railroad or the New York and Atlantic?

A. Whatever the current designation is.

Q. The freight?

A. The freight operation of the Long Island Railroad, that would be accurate.

Q. Is that the extent of your --

A. Yes.

Q. And, if that service occurred or came about, how would that service be performed?

A. Through the Amtrak tunnels, through Union Station, out to the eastern end of Long Island.

Q. What about the cross harbor operation?

A. I'm not familiar with that operation.

Q. To your knowledge does Norfolk Southern consider the east of New York/Long Island area to be within the region that would be penetrated by the haulage arrangement that you have reached

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Q. That's the New England service that you referred to as Norfolk Southern single-line intermodal service, that's to New England?

A. The reference here to Norfolk Southern single-line service I believe is to all of the Northeast, inclusive of the CP potential GTI service.

Q. And also inclusive of east of New York/Long Island points?

A. Correct.

Q. For the East of New York/Long Island points then, what will Norfolk Southern single-line intermodal service be from or to points east of New York and Long Island?

A. Two answers. One is the contemplated Triple Crown service with New York and Atlantic or the freight operation of the current Long Island Railroad. The second is the way that intermodal traffic is handled currently, which is handled via drays over the Northern New Jersey intermodal terminals, in this case E-Rail.

Q. Would you agree that one of the themes that runs throughout the testimony of a number of Norfolk Southern and CSX witnesses in the application is the superiority of single-line,

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JAMES W. McCLELLAN

1 River to the shared assets area?

2 A. No, not for railcars.

3 Q. Has Norfolk Southern considered using
4 Oak Point link to connect the east side of the
5 Hudson River to Norfolk Southern lines?

6 A. The Oak Point link connects to the
7 Harlem River line and then goes up the Hudson
8 line. So that's CSX property. There's no way --
9 we would have to get all the way to Albany and
10 then come down the river. No, that's CSX
11 operations.

12 Q. What I'm referring to is the connection
13 from Oak Point Yard in New York.

14 A. In New York.

15 Q. To the Harlem River Yard on Long
16 Island.

17 A. No, we're -- we do not plan to have any
18 rail operations east of Greenville piers.

19 Q. So the only link that Norfolk Southern
20 plans to use to access that area, Metropolitan
21 New York City, is the Cross Harbor operation?

22 A. That's correct. There will be -- I
23 would say there's interline, there will be
24 interline traffic that moves NS to CSX that will
25 operate on CSX lines east of the Hudson.

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1 Q. Can you describe that operation,
2 please.

3 A. Sure. I don't think the exact
4 interchange point has been determined yet, but
5 let's suppose it would probably be Albany. CSX
6 from, say, a local station on Norfolk Southern
7 would take a car to Albany and give it to CSX and
8 they would take it down the Hudson River and
9 deliver it to the destination on their lines.

10 Q. So you're saying that, aside from Cross
11 Harbor, this method that you just described is
12 the other means you would use?

13 A. It's an interline movement with CSX,
14 yes.

15 Q. Other than those two ways, are there
16 other ways that Norfolk Southern plans to compete
17 for that traffic?

18 A. Not for carload traffic. Now, for
19 intermodal traffic, of course, we'll do what
20 Conrail does today, we'll dray from New Jersey.

21 Q. Do you have any knowledge of the
22 capacity of the Cross Harbor Railroad operation?

23 A. No, I don't. I've been told a lot of
24 Cross Harbor stories, but I really have no
25 particular knowledge of it.

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1 Q. Do you project that, as a result of the
2 transaction, traffic on the Cross Harbor
3 operation will increase or decrease?

4 A. We do not have -- there are no --
5 nothing in the operating or traffic studies that
6 addresses future volumes on the Cross Harbor
7 Railroad.

8 Q. And, aside from what's in the
9 application, do you have any knowledge of that?
10 It's not in the application. Do you have any
11 knowledge of it other than that?

12 A. I've been to New York a million times
13 to talk to people including the Cross Harbor
14 Railroad. And there are all sorts of plans to
15 increase capacity, get a new rate operator, throw
16 the old operator out, et cetera, et cetera, et
17 cetera, I'm aware of all those. But, in terms of
18 facts -- I've seen some brochures. I haven't
19 seen too many facts, however.

20 Q. What is Norfolk Southern's
21 understanding as to the state of the Cross Harbor
22 operation, its viability as a link from east of
23 the Hudson to Norfolk Southern lines?

24 A. My understanding is it's not doing very
25 well. It has financial problems. And there's a

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1 question of who the future operator will be.

2 Q. Could you describe in more detail the
3 financial problems that you referred to?

4 A. That's all I've been told mainly by
5 Port Authority and City of New York officials,
6 that the company has problems, financial
7 problems.

8 Q. And does Norfolk Southern anticipate
9 investing in the operation?

10 A. We haven't considered it one way or
11 another, we just haven't considered it, no.

12 Q. So you're aware that there are problems
13 with it, it might not be a viable route from east
14 of the Hudson to Norfolk Southern lines?

15 A. It may not be a viable route under the
16 present operator. I understand some other
17 operators including the New York and Atlantic are
18 vying to take over the services. I did not get
19 the sense that the service was going away. I got
20 the sense that that the current operator might go
21 into default.

22 I also got the sense the current
23 operator very much wants to stay in business. So
24 there seems to be a healthy competition to
25 perform that service. The question is I don't

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D. MICHAEL MOHAN

1 aware of whether the trackage and routes by which
2 NS would reach Seneca Yard have been determined?

3 A. I'm not aware of the progress of the
4 negotiations you allude to.

5 Q. What is your understanding as to how NS
6 would be likely to access Seneca Yard in Buffalo?

7 A. My understanding is that NS could come
8 down from Buffalo Junction, CP Draw, thence via
9 the to be CSX main to Seneca Yard.

10 Q. Is it correct that this NS access to
11 Seneca Yard is solely for purposes of interchange
12 with South Buffalo Railway?

13 A. My understanding is that that's the
14 purpose. But I believe that NS is also to be
15 given some use of a certain number of tracks
16 designated in Seneca Yard.

17 Q. And is that use solely from connection
18 with the interchange of traffic with South
19 Buffalo Railway?

20 A. And to make up its cuts or trains and
21 depart Seneca with South Buffalo Railway traffic.

22 Q. How does NS interchange with South
23 Buffalo today?

24 A. I believe it's over Station C near
25 Tifft.

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1 Q. What is the purpose of NS's acquiring
2 access to Seneca Yard?

3 A. The arrangement was struck by the
4 negotiating team. And it would give NS some
5 additional interchange capacity. And, looking at
6 the overall movement of traffic, it could
7 eliminate a movement for the South Buffalo to get
8 to the Tifft area. It's a more direct movement
9 for the South Buffalo Railway.

10 Q. Are you familiar with a line segment in
11 Buffalo known as the Howard Street Runner?

12 A. I recall the name, not much more.

13 Q. Still referring to page 234, the
14 operating plan indicates that NS will be assigned
15 the Conrail portion of the former Bison Yard
16 property for future development. Can you tell us
17 what plans NS has for future development of the
18 Bison Yard?

19 A. No plans at this time to the best of my
20 knowledge. That's always been discussed in terms
21 of property that's available for future expansion
22 should that be needed.

23 Q. What is the use that NS proposes to
24 make of Bison under the operating plan?

25 A. Under the operating plan, the use is

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1 for the intermodal, automotive, and transport --
2 and transload uses currently at Bison.

3 Q. Will these uses involve the interchange
4 of traffic with other railroads?

5 A. Not at that point. The current Bison
6 facility is essentially a multimodal facility,
7 automotive, intermodal, and some transload of
8 commodities. The parcel alluded to for future
9 expansion is a different parcel at Bison.

10 Q. Is it the other end of the yard that I
11 understand was segmented at one point?

12 A. It's the former joint facility yard,
13 yes, that's right.

14 Q. Please refer to page 103 which refers
15 at the bottom of the page to trackage rights NS
16 will have on the Conrail line to connect with
17 trackage of Canadian carriers at Suspension
18 Bridge. Do you find that?

19 A. I do.

20 Q. What Canadian carriers will NS connect
21 with via these overhead trackage rights?

22 A. I'm not aware of anything in the plan
23 filing that would make any use of these trackage
24 rights. This was an arrangement struck by the
25 negotiators. The plan contemplates continuing

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1 interchange with Canadian Pacific at SK Yard in
2 Buffalo.

3 Q. Will NS have the ability to interchange
4 with Canadian Pacific at Suspension Bridge per
5 these trackage rights?

6 A. According to this passage, yes.

7 Q. And would the same be true as to
8 Canadian National?

9 A. In the plan as filed, there is no
10 contemplation of changing the interchange point
11 with CN. As the plan was prepared, the
12 interchange was either at Fort Erie or Port
13 Robinson. And there's no contemplated change in
14 that arrangement.

15 Q. And is it your testimony that there's
16 no interchange with CP contemplated at Suspension
17 Bridge?

18 A. In the plan filing. What the
19 negotiators may have intended I don't know.

20 Q. That's my next question, what is the
21 purpose of these trackage rights, if you're
22 making no use of them?

23 A. It is a right that was negotiated by
24 the negotiating team. And I'm not aware of what
25 their intentions might be.

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1 two about NS's new rights at the Seneca Yard in
2 Buffalo. You are aware that Conrail -- strike
3 that.

4 My understanding is that currently NS
5 interchanges with South Buffalo Railroad at the
6 Station C Yard but that post-transaction NS will
7 be allowed to interchange with South Buffalo at
8 the Seneca Yard?

9 A. That's right.

10 Q. How is NS going to utilize these new
11 trackage rights into Seneca Yard and how does
12 Norfolk Southern anticipate it will benefit from
13 these new rights?

14 A. The basic intent is to use the rights
15 at Seneca for interchange with the South Buffalo,
16 assuming that the South Buffalo is willing and
17 agreeable. We would assume that they would be
18 because that is a much less cumbersome
19 interchange move for them.

20 So NS would have the ability to
21 originate from the Seneca interchange, if it
22 chose to do so, and pick up en route, if the
23 traffic volumes warrant, and avoid further
24 terminal processing at Buffalo. So it's the
25 elimination of a more awkward move for the South

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1 Buffalo Railway.

2 Q. Would you say that the benefits of
3 these new trackage rights into Seneca Yard
4 enjoyed by NS will inure to shippers?

5 A. They could.

6 Q. Could you elaborate on how they might?

7 A. Reduce transit times on traffic to and
8 from the South Buffalo, fewer terminal handlings.

9 Q. So this change should improve NS
10 service to the Bethlehem Steel facility in
11 Lackawanna?

12 A. It should, yes.

13 Q. Which is served by the South Buffalo
14 Railroad?

15 A. That's correct.

16 Q. Are you familiar with the Philadelphia,
17 Bethlehem & New England Railroad which serves the
18 Bethlehem Steel facility in Bethlehem,
19 Pennsylvania, and interchanges with Conrail as
20 well as D&H?

21 A. I know that it exists, yes.

22 Q. Does the operating plan contemplate any
23 changes regarding the carriers that have access
24 to this railroad into this Bethlehem Steel
25 facility in Bethlehem, Pennsylvania?

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I hereby certify that on this 21st day of October, 1997, I caused copies of the foregoing Comments to be served by hand upon the following:

The Honorable Jacob Leventhal
Federal Energy Regulatory Commission
888 First Street, N.E.
Suite 11F
Washington, D.C. 20426

Dennis G. Lyons, Esq.
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888 17th Street, N.W.
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and by first class U.S. mail, postage prepaid, on all other parties of record.


Kelvin J. Dowd

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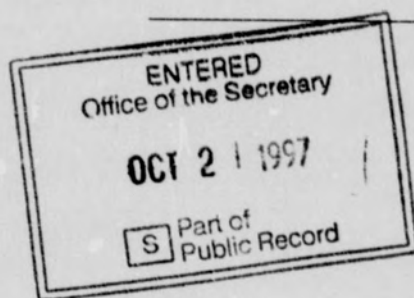
ISI-5

**BEFORE THE
SURFACE TRANSPORTATION BOARD**

Finance Docket No. 33388

*CSX Corporation and CSX Transportation, Inc.
Norfolk Southern Corporation And Norfolk Railway Company
—Control And Operating Leases/Agreements—
Conrail Inc. And Consolidated Rail Corporation*

**COMMENTS AND REQUEST FOR CONDITIONS
OF
INLAND STEEL COMPANY**



Edward C. McCarthy
Assistant General Counsel
Law Department
INLAND STEEL COMPANY
30 West Monroe St.
Chicago, IL 60603
312-899-3148

October 21, 1997

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ISI-5

**BEFORE THE
SURFACE TRANSPORTATION BOARD**

Finance Docket No. 33388

*CSX Corporation and CSX Transportation, Inc.
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**COMMENTS AND REQUEST FOR CONDITIONS
OF
INLAND STEEL COMPANY**

Inland Steel Company (ISC) is a wholly-owned subsidiary of Inland Steel Industries, Inc. ISC is the sixth largest steel producer in the United States. The company mines and transports iron ore, makes iron and produces carbon and high-strength, low-alloy steels. Its sole steelmaking facility is the 1,900-acre Indiana Harbor Works (IHW) at East Chicago, Indiana, with an annual raw steelmaking capacity of six million tons. The company, in joint venture with Nippon Steel Corporation, operates I/N Tek, a cold-rolling mill near New Carlisle, Indiana (NCW), with annual steel finishing capacity of one million tons. The company also operates I/N Kote in joint ventureship with Nippon Steel Corporation. I/N Kote, located adjacent to I/N Tek, galvanizes finished steel and has an annual capacity of 900,000 tons.

Conrail (CR) is ISC's largest railroad carrier of outbound steel products, and it transports over 95% of the work-in-progress inventories moving between the Indiana Harbor Works and the joint venture facilities. CSXT is a significant carrier of coal, coke and finished steel for Inland. Norfolk Southern (NS)

transports finished steel for Inland. NS also serves coal and coke producers that have been suppliers in the past and have the potential to be suppliers in the future.

ISC's IHW is served by two carriers, the Elgin, Joliet and Eastern Railway (EJE) and the Indiana Harbor Belt Railroad (IHB), in which CR has a 51% equity interest. IHW is the Indiana Harbor Belt Railroad's largest shipper, and the IHB is of critical importance to the operations at the Indiana Harbor Works and at the joint ventures.¹

ISC is heavily dependent on rail transportation for its inbound raw materials, for its coal and coke requirements, for the distribution of its finished steel products, and for the transfer of steel inventories between its IHW and joint venture facilities. It is important to understand that the joint ventures in New Carlisle, Indiana are supplied with steel solely from IHW on a just-in-time basis. Currently, dedicated daily train service by CR is tightly coordinated to insure the availability of the right steel arriving at the right time at the joint venture facilities. Disruption in this service results in costly plant shutdowns, with consequences that extend through the supply chain by affecting the just-in-time scheduling of product from these facilities to automotive and appliance manufacturers.

ISC's comments on the transaction which is the subject of this proceeding pertain to the impact the acquisition will have on critical traffic lanes where ISC currently is provided single line service which will become joint line service²,

¹ Indiana Harbor Belt connects to all major trunk lines in the Chicago area and either originates or delivers significant volumes of coal and finished steel from or to the Indiana Harbor Works. It is the delivering or originating carrier for all work-in-progress inventories moved via Conrail between IHW and the joint ventures. CR serves the joint ventures directly.

² All rail traffic originating from or destined to the Indiana Harbor Works is handled by either the Indiana Harbor Belt or Elgin, Joliet and Eastern Railway as previously noted. From Inland's standpoint, these carriers serve as switch carriers. By single line and joint line service, Inland refers to the number of trunk-

and the impact on the operations of the IHB. Also, ISC supports the conditions which The National Industrial Transportation League is recommending be imposed upon the joint acquisition of CR, if approved.

Single Line to Joint Line Service

ISC's concern on steel shipments to its customers relates to service for its two largest steel movements, i.e., from the joint ventures to Kenton, Ohio and to Indianapolis, Indiana.

Currently, both of these moves are CR direct, and ISC has been working with CR to establish regularly-scheduled train service to customers at these destinations. This direct regular and reliable service has permitted ISC to demonstrate to its customers at Kenton, Ohio that the volumes of steel shipped via rail can be substantially increased without sacrificing the reliability of deliveries or increasing weather-related transit damage to the steel³.

Consequently, significant volumes have been shifted from truck to rail. For example, Inland could potentially ship over 350 carloads of steel to Kenton per month, on average. In September 1996, before the inception of improved service, less than 160 cars of steel per month, on average, were moving to Kenton. In September 1997, with the improved service, the number of cars has risen to more than 242. ISC believes that the rail share of this traffic can continue to grow, given the current service. The same type of arrangements are being worked out for the traffic going to Indianapolis. This has the potential of shifting the railcar equivalent of 70 cars per month from truck to rail.

Post-acquisition, however, both of these movements will become joint

line carriers involved in movement.

³ Cold-rolled and coated finished steel are shipped to these customers, who incorporate the steel into products that require perfect surface quality. The longer the steel is in transit, the higher becomes the risk that condensation inside the railroad covered coil car will form and damage the surface quality of the steel.

NS/CSXT movements. The STB and its predecessor, the ICC, have frequently recognized that the probability of increased transit time and decreased reliability versus single line service is significant. If ISC were to experience a deterioration of rail service levels to either of these destinations, it would be forced in the case of Kenton to reduce rail shipments and actually convert rail shipments to truck, at additional expense. At Indianapolis, the effort to shift volume from truck to rail could not be sustained.

Inland has requested that both CSXT and NS commit to enter into an agreement to continue to provide single line or run-through service from NCW to Kenton and Indianapolis and that the carriers provide detailed operating plans which would insure the continuation of the type of service necessary to continue the conversion of truck traffic to rail. Neither applicant has responded with any commitment other than agreeing to discuss these moves after the acquisition.

Indiana Harbor Belt Railroad Operation

As the IHB's largest shipper, ISC is keenly interested in ownership and operational changes regarding this railroad. The "Agreement"⁴ relating to the IHB which was filed by NS and CSXT raises serious concerns about the ability of IHB management to operate independently and to utilize assets to provide reliable service to its shippers if NS and CSXT become the majority equity owners. ISC has been informed that detailed plans concerning IHB operations will not be available until well after filing deadlines in this proceeding have passed. As a result, ISC cannot evaluate future IHB service, which is critical to the operations of IHW.

⁴ "Agreement Relating to the Contractual Rights and Ownership Interest of Consolidated Rail Corporation with respect to the Indiana Harbor Belt Railroad Company", Finance Docket No. 33388, Volume 8C of 8, Exhibit 2, pp. 693 -714.

To ISC's knowledge, the "Agreement" referred to above is the only specific commitment relating to the IHB that exists. Among other things, this "Agreement" specifically allocates facilities such as the Gibson Yard, which is an essential facility for ISC's traffic, to equal usage by CSXT and NS. While the definition of Gibson Yard in the "Agreement" is not specific, the Gibson Yard in general includes facilities which are essential to the interchange of rail traffic to and from the IHW. Disruptions to the large amounts of IHW traffic routed through the Gibson Yard resulting from NS's and CSXT's assertion of their respective rights pursuant to the "Agreement" would pose a serious threat to operations at IHW. This threat could result in the shutdown of production facilities and would eventually require that more inventory be carried to compensate for erratic service. Both would be very costly propositions for steel mill operations.

The "Agreement" also provides the mechanism to rotate the General Manager between the CSXT and NS every year if the other carrier is dissatisfied with IHB management. This possibility alone, of "yo-yo" IHB management, poses a very real threat to consistent and reliable service.

Summary

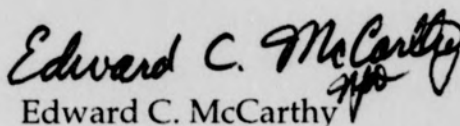
While ISC takes no position on the overall merit of the transaction proposed in this proceeding, it respectfully requests that, if the transaction is approved, approval be conditioned upon the following requirements:

1. NS and CSXT shall agree to provide single line or run-through service from NCW to ISC customers in Kenton, Ohio and Indianapolis, Indiana, along with detailed operating plans which ensure the continuation of the service that is currently being provided from NCW to Kenton, and which replicates

the service planned for the NCW to the Indianapolis lane. Service shall be provided at rates specified in the current single line contract with CR. As the carrier directly servicing the ISC joint ventures, NS shall manage the single line or run-through service.

2. NS shall be granted trackage rights to directly service ISC's IHW, at trackage fee levels which shall allow NS to effectively compete for traffic originating from and destined to IHW.
3. The full set of conditions advocated by The National Industrial Transportation League in its filing to the STB in this proceeding shall be adopted as conditions to the joint acquisition of CR by NS and CSXT.

Respectfully submitted,

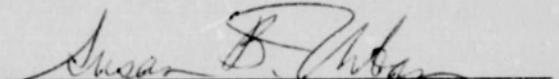


Edward C. McCarthy
Assistant General Counsel
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INLAND STEEL COMPANY
30 West Monroe St.
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October 21, 1997

Certificate of Service

I hereby certify that I have on this 21st day of October, 1997, caused to be served copies of the foregoing Comments and Request for Conditions on all parties of record in this proceeding, by first-class mail/postage prepaid, or by hand delivery.


Susan B. Urban